







# Strategic Support CSA

## Core Service: Purchasing and Materials Management Finance Department

### Performance and Resource Overview (Cont'd.)

Purchasing and Materials Management Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of cost savings achieved through the purchasing process	3%	9%	6%	5%
 Cost of purchasing services as a percentage of the total dollars procured	0.8%	1.3%	1.2%	1.3%
 % of customers who rate services as good or better, based on a 5-point scale based on courteous and timely responses to requests for information				
- Purchasing	76%	65%	68%	70%
- Materials Management	94%	95%	95%	95%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

Selected Operational Measures	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of purchase orders (PO's) processed within established timeframes				
- 8 business days for PO's < \$5,000	49%	70%	68%	68%
- 15 business days for PO's \$5,000 - \$100,000	43%	60%	63%	63%
- 55 business days for PO's > \$100,000	New	83%	96%	96%
 % of time a request for record retention item is				
- Picked-up within two days	N/A	100%	N/A	N/A
- Delivered within one day	100%	100%	98%	98%
 % of time a request for a warehouse item is furnished within one day				
- Picked-up	100%	98%	100%	100%
- Delivered	96%	98%	91%	93%

*Changes to Operational Measures from 2005-2006 Adopted Budget: Yes<sup>1</sup>*

<sup>1</sup> Changes to Operational Measures from the 2005-2006 Adopted Budget:

U “% of purchase orders (PO's) processed within established timeframes” was changed to business days versus calendar days to reflect actual measurement of the data. The additional measure reflects the complexity of procurement valued above \$100,000 as well as the requirement for Council Approval in accordance with the Municipal Code.

# Strategic Support CSA

## Core Service: Purchasing and Materials Management Finance Department

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Total cost for services				
- Purchasing Services	\$1.04M	\$1.10M	\$1.01M	\$1.26M
- Materials Management Services	\$1.43M	\$1.37M	\$1.20M	\$1.54M
Total dollars procured	\$123.5M	\$86.7M	\$87.4M	\$94.1M
Total cost savings	\$3.7M	\$7.7M	\$5.4M	\$4.7M
Total dollars recovered from surplus sales	\$497,148	\$200,000	\$210,305	\$200,000
Number of purchase orders (PO's) processed within:				
- 8 business days for PO's < \$5,000	N/A	500	419	558
- 15 business days for PO's \$5,000 - \$100,000	N/A	720	751	1,001
- 55 business days for PO's > \$100,000	New	100	78	104
Number of record retention requests:				
- Picked-up within two days	N/A	9,000	N/A	N/A
- Delivered within one day	7,924	1,000	7,347	7,714
Number of warehouse line items:				
- Picked-up within one day	24,636	24,500	24,659	25,892
- Delivered within one day	9,567	19,500	8,984	9,433

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: Yes<sup>1</sup>*

<sup>1</sup> Changes to Highlights from the 2005-2006 Adopted Budget:

↳ “% of purchase orders (PO's) processed within established timeframes” was changed to business days versus calendar days to reflect actual measurement of the data. The additional measure reflects the complexity of procurement valued above \$100,000 as well as the requirement for Council Approval in accordance with the Municipal Code.

Purchasing and Materials Management Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget*</b>					
Personal Services	\$ 80,968	\$ 2,073,808	\$ 2,443,525	\$ 2,579,203	24.4%
Non-Personal/Equipment	2,182	397,997	362,799	502,799	26.3%
<b>Total</b>	<b>\$ 83,150</b>	<b>\$ 2,471,805</b>	<b>\$ 2,806,324</b>	<b>\$ 3,082,002</b>	<b>24.7%</b>
<b>Authorized Positions</b>	<b>1.00</b>	<b>26.00</b>	<b>26.67</b>	<b>27.67</b>	<b>6.4%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

## Strategic Support CSA

### Core Service: Purchasing and Materials Management Finance Department

#### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY</b>			
1. U.S. Mail and Inter-Office Mail Processing Reorganization	(1.00)	(67,840)	(67,840)
<p>This action reorganizes U.S. mail and inter-office mail processing by eliminating mail routes to Community Service Centers and Fire Battalions and by replacing departmental communication with email, fax, US Postal service, and courier services. The elimination of a 1.0 Warehouse Worker position will leave 0.5 of a position to staff the receiving dock at City Hall and to make deliveries and pick-ups at high volume mail stops. (Ongoing savings: \$67,840)</p> <p><b>Performance Results:</b> <b>Customer Satisfaction</b> Customer service to offsite locations will be reduced.</p>			
2. Procurement Reforms/Management Staffing and Software	2.00	343,518	343,518
<p>This action provides for additional staffing to centralize procurement for contracting of professional services. These reforms will ensure the efficient, consistent, fair, and transparent processing of Requests For Proposals (RFPs) and Requests For Qualifications (RFQs) for professional services. The addition of 2.0 Senior Analyst positions (\$203,518), the purchase of e-procurement software (\$100,000), and non-personal/equipment costs (\$40,000) are approved in this budget. (Ongoing costs: \$338,914)</p> <p><b>Performance Results:</b> <b>Customer Satisfaction, Cycle Time, Quality</b> Efficiency and standardization of the procurement process for contracting of professional services will be improved. This will also enhance interaction with the local vendor community for the procurement of goods and services.</p>			
2006-2007 Adopted Core Service Changes Total	1.00	275,678	275,678

# Strategic Support CSA

## Core Service: Revenue Management *Finance Department*

### Core Service Purpose

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**C**ollect and invest the City's resources to enhance the City's financial condition.

#### Key Operational Services:

☐ Revenue Collection

☐ Investments

### Performance and Resource Overview

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**R**evenue Management refers to the general oversight of the City's financial resources. This core service supports the Strategic Support CSA outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community*. This outcome is supported by developing and streamlining business systems and processes that support the delivery of City services; and through timely cash collection and prudent investment of the City's cash.

Over the course of the last four years, Revenue Management staff has conducted compliance reviews for the third largest revenue source to the City's General Fund – the Utility User's Tax (UUT) and related Franchise Fees. During the course of conducting these reviews, staff has found multiple instances of non-compliance requiring a high level of follow-up to assure the outstanding tax owed the City is ultimately collected. Staff continues to work with several other utility service providers to determine final amounts due the City as a result of the cellular phone UUT compliance reviews. Staff has verified that most cellular providers are complying with the new Federal Sourcing Act, which is bringing in an additional \$1 million of UUT to the City annually.

The Business Information Management System (BIMS) compares various business lead source data files (e.g. State of California Franchise Tax Board, State Resale Permits, Fictitious Business Filings, etc.) to the City's Business Tax Billing System to isolate businesses not in compliance with the business tax ordinance. With collections in 2005-2006 expected to meet budgeted expectations of \$800,000, this project, from its inception in May 2003 to the end of 2005-2006, will have generated over \$3.0 million in additional General Fund revenue.

Although a Business Tax Amnesty Program was included in the 2005-2006 Adopted Budget, program implementation has not yet begun and requires ordinance approval that would last six to eight weeks. For this reason, the program will bridge from 2005-2006 into 2006-2007. It is expected that with the end of the Business Tax Amnesty Program, business tax license collections will increase slightly in 2005-2006 and again in 2006-2007.

The Consolidated Utility Billing System (C-UBS) project is the City's first true CRM solution. This consolidates call centers and provides better customer service through multi-channel

## Strategic Support CSA

### Core Service: Revenue Management *Finance Department*

#### **Performance and Resource Overview (Cont'd.)**

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communications, web self-service, marketing support, and other functions. For 2006-2007, funding for overstrength positions will be continued to support the stabilization period (July-October) after "go-live" in summer 2006. Funding for an overstrength Program Manager will also be continued for a year to provide project stability.

For 2005-2006, the average number of days active accounts receivable in the City's automated collection management system (Revenue Plus) were past due is estimated to be 74 days. This is a slight improvement from the 80 days that was experienced in 2004-2005. The performance for 2006-2007 is expected to average 75 days. Finance Department collections staff have been strategically placed to heighten the focus on collecting seriously delinquent accounts.

In 2006-2007, a collection recovery fee will be added for delinquent accounts forwarded to collection agencies. The fee, which will be imposed in the amounts of \$25 or 15% (whichever is higher) is expected to provide additional revenue to the General Fund in the amount of \$200,000.

In May 2005, the Finance Department reorganized functions to more appropriately align services in order to prepare for relocation to City Hall and the consolidation of several cashiering programs from multiple departments into a single Cashiering Suite. This reorganization required the dedication of a management position for oversight, and a Financial Analyst, who previously assisted the Administrative Officer in the Treasury Division, was assigned to this role.




Due to reorganization, an Administrative Officer serves as the only professional staff person to manage the City's investment program. This included performing daily investment activities and providing management oversight to the City's nearly \$2.0 billion investment portfolio. As a result, an additional Financial Analyst position was approved for 2006-2007. This position will investigate and implement opportunities to enhance overall portfolio yield within the parameters of the Investment Policy while maintaining focus on the key elements of safety and liquidity of the City's portfolio. This position will be reimbursed through the City's investment program.

A combined survey for the Finance and Information Technology Departments is conducted each fiscal year in the fourth quarter. To measure the "cost of revenue collection services", the labor cost for staff providing these services is compared to the value of the City's total Miscellaneous Accounts Receivables. The cost ratio estimate in 2005-2006 is 10.14% and the 2006-2007 target has been set at 13.33%. To measure the "cost of investment services", the labor cost for staff providing these services is compared to the value of the City's total Investment Portfolio. The cost ratio estimate in 2005-2006 is 0.11%, and the 2006-2007 target has been set at 0.13%. The increases in these ratios are due to the filling of vacant positions and increased staff costs.


# Strategic Support CSA

## Core Service: Revenue Management Finance Department

### Performance and Resource Overview (Cont'd.)

Revenue Management Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 Cost of investment services as a percentage of the City's investment portfolio	0.09%	0.10%	0.11%	0.13%
 Cost of revenue collection services as a percentage of the City's total miscellaneous accounts receivable	9.78%	11.25%	10.14%	13.33%
 % of customers who rate Revenue Management services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	87%	90%	90%	90%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

Selected Operational Measures	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
 Average number of days active accounts receivable are past due	80	75	74	75

*Changes to Operational Measures from 2005-2006 Adopted Budget: No*

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Total cost for Revenue Management services				
- Investment services	\$1.15M	\$1.10M	\$1.16M	\$1.33M
- Revenue collection services	\$3.36M	\$3.78M	\$3.35M	\$4.00M
Total of the City's investment portfolio	\$1.16B	\$1.16B	\$1.018B	\$1.021B
Total balance of the City's miscellaneous accounts receivable	\$34.3M	\$30M	\$33M	\$30M

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

# Strategic Support CSA

## Core Service: Revenue Management Finance Department

### Performance and Resource Overview (Cont'd.)

Revenue Management Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 3,956,025	\$ 4,240,879	\$ 4,690,024	\$ 5,179,176	22.1%
Non-Personal/Equipment	547,393	1,002,559	640,159	893,559	(10.9%)
Total	\$ 4,503,418	\$ 5,243,438	\$ 5,330,183	\$ 6,072,735	15.8%
Authorized Positions	51.05	52.05	52.05	53.05	1.9%

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY

- |  |         |   |
|--|---------|---|
| 1. Consolidated Utility Billing System (C-UBS)<br>Implementation | 413,393 | 0 |
|--|---------|---|

This action will fund nine temporary overstrength positions in the Finance Department to support a four-month stabilization period after the "go-live" state of the C-UBS project. In addition, a Program Manager will be retained for a year to manage the stabilization project. The continuation of these positions will provide stability in the project prior to transition to permanent staffing. (Ongoing costs: \$0)

#### Performance Results:

**Customer Satisfaction** Continuation of the temporary overstrength positions will ensure stability of the project.

# Strategic Support CSA

## Core Service: Revenue Management *Finance Department*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY (CONT'D.)</b>			
2. Investment Program Staffing	1.00	100,759	100,759
The addition of a Financial Analyst position to the Investment Section of the Treasury Division was approved in this budget. This position will assist the administrative unit (one Administrative officer and two clerical staff positions) by providing analytical assistance to enhance the City's ability to determine investment options for the portfolio. This position will be reimbursed through the City's investment program. (Ongoing costs: \$109,457)			
<b>Performance Results:</b>			
<b>Quality, Customer Satisfaction</b> Adding a Financial Analyst will help to provide analytical assistance and enhance the City's ability to determine investment options for the portfolio (within the investment policy guidelines).			
3. Rebudget: Business Tax Amnesty Program		228,400	228,400
This action rebudgets 2005-2006 resources for non-personal/equipment expenditures (i.e. postage, collections, etc.) associated with the implementation of the Business Tax Amnesty Program. (Ongoing costs: \$0)			
<b>Performance Results:</b> N/A (Final Budget Modification)			
2006-2007 Adopted Core Service Changes Total	1.00	742,552	329,159



## Strategic Support CSA

**Core Service: Support Departmental Technology Services**  
*Information Technology Department*

### Core Service Purpose

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**D**etermine, develop, implement and support technology solutions that maximize the delivery of Technology Services for City Service Areas and ensure optimal resource utilization of technology investments across the City-wide organization.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Public Safety Support</b>                        | <input type="checkbox"/> <b>Environmental and Utility Services Support</b> |
| <input type="checkbox"/> <b>Transportation and Aviation Services Support</b> | <input type="checkbox"/> <b>Neighborhood Services Support</b>              |
| <input type="checkbox"/> <b>Community and Economic Development Support</b>   | <input type="checkbox"/> <b>Mayor, Council and Appointees Support</b>      |

### Performance and Resource Overview

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**T**he purpose of the Support Departmental Technology Services core service is to enable the service delivery of specific departments through the use of technology. This core service contributes to the Strategic Support CSA's outcome: *Effective Use of State-Of-The-Art Technology.*

#### Information Technology Planning Board

In March 2005, the Information Technology Planning Board (ITPB) revised its charter to better position the City to meet its business strategies through the use of technology. Key changes include organization of ITPB membership to reflect the CSA model; creation of an Architecture Committee consisting of IT professionals from all CSAs to provide technical perspective and recommendations to the ITPB; and the re-allocation of five positions to facilitate centralized technology representations for each CSA.

The first major effort of the ITPB, Architecture Committee and CSA Technology representatives was the completion of CSA technology Master Plans in January 2006, which has helped to provide departments with understanding of technology issues city-wide.

2004-2005 overall performance measures were lower than expected and reflect customer responses prior to the aforementioned changes. It is anticipated that customer satisfaction will increase significantly due to these new efforts. It is expected that customer satisfaction ratings of good to excellent regarding the "Impact upon planning and preparation of IT-related budget requests" will be nearly 85% for 2006-2007.

# **Strategic Support CSA**

## **Core Service: Support Departmental Technology Services** *Information Technology Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Information Technology Planning Board (Cont'd.)**

The Activity and Workload Highlight, "Number of ongoing ITPB approved projects" estimated and forecast levels for 2005-2006 and 2006-2007 respectively are noted as "N/A" due to the recent inclusion, at the direction of the City Manager, of vital technology projects that the City should undertake in the near future. Approval of these projects (contingent upon identification of funding sources) is still under review.

The 2005-2006 performance target for customer satisfaction of good to excellent regarding the "timeliness of decisions made" and the "perception of benefit/value added by strategic planning" by the ITPB will remain at 60%. In 2004-2005, actual survey performance results measured 31% and 40% respectively, a decline from 2003-2004's survey results of 40% and 46%.

#### **Public Safety Support**

Reductions in technology staff in recent years have contributed to the challenges the Police Department faces as it strives to implement integrated public safety functions focused on improving the productivity of officers and staff. Initiatives such as participation in a county-wide mug shot and fingerprint program, accident report automation, electronic citations, installation of cameras downtown, and support for new police substations are only a few of the technology projects currently in the planning stages. Radio communications, Wireless Internet System (Wi-Fi), cable and fiber networks must be reliable and have the capacity to support public safety applications and devices.

Updating the existing technology infrastructure, which utilizes Voice Over Internet/Protocol (VoIP) is key to the success of these projects. Augmentations of existing staff resources to acceptable levels and providing sufficient training to technical staff is required in order to deliver these projects as well as support key applications and infrastructure 24 hours a day, seven days a week.

The Police and Fire Departments have been utilizing Computer Aided Dispatch (CAD) systems since San José assumed the responsibilities for communications services in 1990. The old CAD system was replaced in June 2004. The new CAD system introduced mapping, radio network bandwidth, and software related challenges. Current technical CAD-related activities are focused on continued improvement of the existing system as well as resolution of the significant challenges relative to increased traffic on the wireless network. Based upon a system evaluation conducted in 2005, the Police Department has embarked on a two-year evaluation of a broadband wireless service with early testing showing great promise.

Once completed, the enhanced 9-1-1 project will enable Police and Fire Communications to locate any call being placed from a cellular phone. The current system cannot locate all callers who are not within the City limits, resulting in some calls placed from the freeways being routed to the California Highway Patrol instead of the City's dispatch center.




## Strategic Support CSA

### Core Service: Support Departmental Technology Services Information Technology Department

#### Performance and Resource Overview (Cont'd.)

##### Public Safety Support (Cont'd.)

The last piece in the Police Department's automation effort is the Automated Reporting System (ARS), also known as In-Field Reporting and an upgrade to the Records Management System (RMS). The ARS component is the cornerstone of the data entry flow into RMS, a component of the Automated Information System. This effort will reduce the gap between data collection and data entry, and thus improve data quality. For example, an officer in the field will have the capability to enter data soon after an event has occurred rather than at a later time and/or by someone who was not present at the scene. The Police Department in conjunction with the Information Technology Department is evaluating an appropriate solution.

Support Departmental Technology Services Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of managers who say employees have the technology tools they need to support their service delivery functions	71%	87%	70%	75%
 % of employees who say they have the technology tools they need to meet their service delivery functions	83%	83%	83%	85%
 % of responses from IT Planning Board members & departments that are good or excellent in the following areas:				
- Timeliness of decisions made	31%	60%	50%	60%
- Perception of benefit/value added by strategic planning	40%	60%	50%	60%
- Impact upon planning & preparation of IT related budget requests	30%	85%	60%	85%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of CSA master plans updated	1	7	7	7
Number of ongoing ITPB approved projects	8	8	N/A	N/A
Number of ITPB meetings annually	12	12	12	12

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

## Strategic Support CSA

### Core Service: Support Departmental Technology Services *Information Technology Department*

#### Performance and Resource Overview (Cont'd.)

Support Departmental Technology Services Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 2,552,036	\$ 1,934,071	\$ 2,042,947	\$ 2,042,947	5.6%
Non-Personal/Equipment	356,537	0	0	0	N/A
<b>Total</b>	<b>\$ 2,908,573</b>	<b>\$ 1,934,071</b>	<b>\$ 2,042,947</b>	<b>\$ 2,042,947</b>	<b>5.6%</b>
<b>Authorized Positions</b>	<b>25.00</b>	<b>16.00</b>	<b>15.00</b>	<b>15.00</b>	<b>(6.3%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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NONE

# Strategic Support CSA

## Strategic Support *Finance Department*

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**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the *Finance Department* includes:

### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Analytical Support</b>       | <input type="checkbox"/> <b>Intranet Services</b>          |
| <input type="checkbox"/> <b>Budget/Fiscal Management</b> | <input type="checkbox"/> <b>Human Resources Management</b> |
| <input type="checkbox"/> <b>Contract Administration</b>  | <input type="checkbox"/> <b>Administrative Support</b>     |

## Performance and Resource Overview

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**W**ithin the scope of Strategic Support, departmental core services are guided through planning, organizing, directing, and evaluating service delivery to achieve departmental objectives. These support services ensure that programs and services are developed, implemented and enhanced in a manner consistent with City policies and procedures. In addition, Strategic Support is instrumental in the delivery of direct services to the public and in providing coordinated responses to requests for information by other departments, the City Administration, and the City Council.

Due to challenges presented by budgetary constraints, Strategic Support services in the Finance Department were reduced in 2005-2006. One Staff Specialist position was eliminated in the Finance Department, and general administrative duties were distributed to remaining support staff. In addition, a Network Engineer dedicated to the Finance Department was transferred to the Information Technology Department to consolidate city-wide network services.




In 2005-2006, an estimated 5% of the Finance Department's 132 employees will receive 40 hours of relevant training annually and 8% of employees will receive 20 hours of relevant training annually. A factor impacting performance in this area was the high vacancy rates experienced since the city-wide hiring freeze. Due to increased workload and service demands, many staff members were unable to meet the 40-hour training goal. As workloads continue to increase and staffing levels decrease, the target will be reduced to 4% of employees receiving 40 hours of training in 2006-2007. The number of training hours provided is expected to remain constant at 700 in 2006-2007.

Currently, various levels of performance measures have been developed for departments included in the Strategic Support CSA. During 2006-2007, the CSA will coordinate and establish performance measures that will be used by each department included in the CSA.

# Strategic Support CSA

## Strategic Support Finance Department

### Performance and Resource Overview (Cont'd.)

Strategic Support Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of employees receiving 40 hours of relevant training annually	7%	5%	5%	4%
 Ratio of strategic support services cost to total department budget	13%	9%	7%	10%
 % of customers rating strategic support services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	N/A	70%	70%	70%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Total cost for Strategic Support services	\$1.32M	\$1.37M	\$0.99M	\$1.51M
Total department budget	\$9.86M	\$13.17M	\$13.59M	\$14.44M
Total number of department employees	106	132	132	134
Total number of Strategic Support employees	10	9.5	9.5	9.78
Total number of employees receiving 40 hours of relevant training	7	7	6	5
Total number of training hours provided	561	700	700	700

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 1,135,589	\$ 1,119,426	\$ 1,253,971	\$ 1,253,971	12.0%
Non-Personal/Equipment	184,863	253,191	258,316	258,316	2.0%
<b>Total</b>	<b>\$ 1,320,452</b>	<b>\$ 1,372,617</b>	<b>\$ 1,512,287</b>	<b>\$ 1,512,287</b>	<b>10.2%</b>
<b>Authorized Positions</b>	<b>9.50</b>	<b>9.50</b>	<b>9.78</b>	<b>9.78</b>	<b>2.9%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

# Strategic Support CSA

## Strategic Support General Services Department

**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within General Services includes:

### Key Operational Services:

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Network/Computer Systems Management</b> | <input type="checkbox"/> <b>Programmatic/Administrative Support</b> |
| <input type="checkbox"/> <b>Budget/Fiscal Management</b>            | <input type="checkbox"/> <b>Strategic Planning/Leadership</b>       |

## Performance and Resource Overview

**S**trategic Support provides administrative support for the General Services Department. Strategic Support includes network and computer systems management, fiscal management, property management, and organizational development.

For 2006-2007, the property management function will be consolidated in the Public Works Department because the Public Works Real Estate section has the supervisory and administrative structure to better support the unit. This will allow the centralization of Real Property transaction functions into one location and will provide for a stronger, better-supported work unit. The transfer entails moving two Real Property Agent positions, associated non-personal/equipment funding, and funding for leased office spaces throughout the City to the Public Works Department.

Strategic Support will continue to strive to meet customer expectations and to maintain quality standards. However, as a result of many transitional changes, staff workloads and responsibilities have been redeployed to meet the organization's highest needs including budget and fiscal management, basic network support, and personnel management.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 522,664	\$ 995,722	\$ 1,076,156	\$ 852,396	(14.4%)
Non-Personal/Equipment	6,398,043	3,745,096	2,081,284	185,297	(95.1%)
<b>Total</b>	<b>\$ 6,920,707</b>	<b>\$ 4,740,818</b>	<b>\$ 3,157,440</b>	<b>\$ 1,037,693</b>	<b>(78.1%)</b>
<b>Authorized Positions</b>	<b>8.75</b>	<b>8.75</b>	<b>8.75</b>	<b>6.75</b>	<b>(22.9%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Strategic Support CSA

## Strategic Support General Services Department

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES AND EQUIPMENT

1. Real Estate Program Consolidation	(2.00)	(2,119,747)	(2,106,778)
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This action shifts 2.0 Real Property Agent positions and \$30,000 in associated non-personal/equipment from the General Services Department to the Public Works Department. Because the Public Works Department has the supervisory and administrative structure to better support the unit, it was determined that the Real Estate functions should be consolidated in Public Works. This will allow the centralization of all Real Property staff into one department and provide for a stronger, better-supported work unit. Along with the two positions, budgets for leased spaces (approximately \$1.9 million) throughout the City will be shifted from General Services to Public Works. (Ongoing savings: \$2,119,747)

#### Performance Results:

No changes to service levels will result from this action.

2006-2007 Adopted Strategic Support Changes Total	(2.00)	(2,119,747)	(2,106,778)
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## Strategic Support CSA

### Strategic Support Human Resources Department

**S**trategic Support represents the services provided within departments that support and guide the provision of the core services. Strategic Support within the Human Resources Department includes:

- |   |   |
|---|---|
| <input type="checkbox"/> Administration       | <input type="checkbox"/> Human Resources Systems Management |
| <input type="checkbox"/> Financial Management | <input type="checkbox"/> Records Management                 |
| <input type="checkbox"/> Personnel Management | <input type="checkbox"/> Customer Service                   |

### Performance and Resource Overview

**S**trategic Support in the Human Resources Department includes the underlying systems that allow the Department to function such as personnel, budget, information systems management, records management, and customer service.

In 2005-2006, timekeeping, accounts receivable/payable, and general ledger workload were transferred to the Finance Department in order to reduce costs and centralize Finance-related work. eWay, the employee self-service module of the City's Oracle-PeopleSoft HR system was successfully implemented, laying the foundation for an online one-stop shop for employee personnel, benefits, deferred compensation, and payroll transactions. The RFP process for consultants to upgrade the City's Oracle-PeopleSoft HR/Payroll system and kick-off of the eight month project were completed. In 2006-2007, implementation of the upgraded HR/Payroll system, including added functionality for manager self-service, benefits life events, and internet accessibility will be completed.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 871,678	\$ 705,746	\$ 762,019	\$ 762,019	8.0%
Non-Personal/Equipment	146,967	124,263	124,263	124,263	0.0%
<b>Total</b>	<b>\$ 1,018,645</b>	<b>\$ 830,009</b>	<b>\$ 886,282</b>	<b>\$ 886,282</b>	<b>6.8%</b>
<b>Authorized Positions</b>	<b>7.50</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.0%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Strategic Support CSA

Strategic Support  
*Human Resources Department*

## Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

# Strategic Support CSA

## Strategic Support Information Technology Department

**S**trategic Support represents services provided within the Department that support and guide the provision of the core services. While there are resources and performance measures associated with strategic support at an operational level, those are not presented separately in this document. Instead, the resources are allocated to each core service according to the level of support provided. Similarly, performance measures are shown only at the core service level, as strategic support services are designed to help improve core service delivery. Strategic Support within Information Technology includes:

### Key Operational Services:

- |   |  |
|---|--|
| <input type="checkbox"/> Clerical Support     | <input type="checkbox"/> Training Management |
| <input type="checkbox"/> Employee Services    | <input type="checkbox"/> Special Projects    |
| <input type="checkbox"/> Financial Management |  |

### Performance and Resource Overview

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 1,100,424	\$ 964,974	\$ 979,584	\$ 937,389	(2.9%)
Non-Personal/Equipment	219,139	202,826	193,226	193,226	(4.7%)
<b>Total</b>	<b>\$ 1,319,563</b>	<b>\$ 1,167,800</b>	<b>\$ 1,172,810</b>	<b>\$ 1,130,615</b>	<b>(3.2%)</b>
<b>Authorized Positions</b>	<b>9.75</b>	<b>8.75</b>	<b>7.75</b>	<b>7.00</b>	<b>(20.0%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Strategic Support CSA

## Strategic Support Information Technology Department

### Strategic Support Budget Changes

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Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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#### EFFECTIVE USE OF STATE-OF-THE-ART TECHNOLOGY

1. Information Technology Clerical Staffing	(0.75)	(42,195)	(42,195)
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This action eliminates a vacant part-time Senior Office Specialist position. This position performed reception duties and other clerical support tasks. This position has been vacant since September 2005 and other staff members have assumed the duties of this position. (Ongoing savings: \$42,195)

#### Performance Results:

No change to service levels will result from this action.

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2006-2007 Adopted Strategic Support Changes Total	(0.75)	(42,195)	(42,195)
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# Strategic Support CSA

## Strategic Support *Public Works Department*

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**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Public Works Department includes:

### Key Operational Services:

- |   |  |
|---|--|
| <input type="checkbox"/> <b>Equality Assurance</b>            | <input type="checkbox"/> <b>Financial and Contractual Administration</b> |
| <input type="checkbox"/> <b>Real Estate</b>                   | <input type="checkbox"/> <b>Employee Services</b>                        |
| <input type="checkbox"/> <b>Public Outreach</b>               | <input type="checkbox"/> <b>Capital Improvement Program Database</b>     |
| <input type="checkbox"/> <b>Strategic Planning/Leadership</b> |  |
| <input type="checkbox"/> <b>Infrastructure and Mapping</b>    |  |

## Performance and Resource Overview

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**S**trategic Support for the Public Works Department within the Strategic Support CSA provides the following services:

### Equality Assurance

Responds to all workers' compensation requests for review of wages and monitors the submittals of certified payrolls and ensures that proper compensation and benefits are paid to workers performing work on City and San José Redevelopment Agency (SJRA) funded construction and housing contracts and City funded service and maintenance contracts.

### Real Estate

Provides quality and cost effective real estate services in a timely manner to City departments and the SJRA. Services are performed while assuring the City's compliance with the applicable local, State, and federal government laws and regulations. Services include appraisal, acquisition, relocation, site feasibility analysis, and special projects. In addition, Real Estate supports the city-wide telecommunication program. Beginning in 2005-2006, additional General Fund resources were approved to support this program.

The consolidation of the City's real property management is included in the 2006-2007 budget process. As a result, two Real Property Agents and associated non-personal/equipment funding will be redeployed from the General Services Department to the Public Works Department, with corresponding responsibilities, which are primarily related to surplus property and tenant leases. This consolidation will allow greater flexibility in dealing with the fluctuations of the land acquisition activities due to the reduced workload associated with tenant leases now that City Hall is complete and fully occupied.

# **Strategic Support CSA**

## **Strategic Support** *Public Works Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Public Outreach**

Conducts outreach activities to small and local businesses and promotes department contract and consultant opportunities to the business community. Outreach activities include quarterly and annual educational presentations targeted at small and local businesses, inter-departmental development of a small business tracking system and electronic newsletter, and improvements to the Capital Improvement Program Database to allow for on-line registration to deliver e-mail notifications of construction contract and consultant opportunities.

#### **Strategic Planning/Leadership**

Provides strategic planning and direction on department-wide issues that may affect multiple CSAs. Promotes organizational development and establishes the framework for an efficient operating structure that promotes the timely delivery of projects and services.

#### **Infrastructure and Mapping**

Updates the City's Geographic Information System base maps, the CIP database and web page, and coordinates the Infrastructure Management Systems. The base maps include data on parcels, streets, storm sewers, sanitary sewers, water lines, and streetlights.

#### **Financial and Contractual Administration**

Provides fiscal management, accounting services, budget analysis, and centralized contract administration for the Public Works Department. Assists the public with construction issues and invites construction project bids through a bid hotline and the Internet.

#### **Employee Services**

Provides recruitment, hiring, and promotion services to support all Public Works functions and maintenance of all personnel files and related information. Training support and monitoring, maintenance of the training library, oversight of employee safety and ergonomics programs, and direction of the Employee Recognition Program are also provided to Public Works staff.



#### **Capital Improvement Program Database Enhancement**

Plans and implements a software application for project management including project cost estimating, financial data tracking, contract management, performance measurement, and public outreach. The database will be a web-based application with process automation and wireless access capability.

# Strategic Support CSA

## Strategic Support Public Works Department

### Performance and Resource Overview (Cont'd.)

Selected Operational Measures	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of contracts with wage requirements that are brought into compliance	67%	75%	60%	75%
 Cost of labor compliance services as a percentage of total \$ amount of contracts with wage requirements	0.07%	0.1%	0.1%	0.1%

*Changes to Operational Measures from 2005-2006 Adopted Budget: No*

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of contracts with wage requirements	1,030	1,000	1,000	1,000
Number of contracts with labor compliance violations identified	125	50	50	50
Number of contractors' employees owed restitution	319	200	200	200
Total \$ amount of restitution owed to employees	\$299,016	\$250,000	\$410,000	\$250,000

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 5,327,370	\$ 5,470,973	\$ 5,975,052	\$ 6,499,005	18.8%
Non-Personal Equipment	966,927	2,095,018	2,025,774	3,908,146	86.5%
<b>Total</b>	<b>\$ 6,294,297</b>	<b>\$ 7,565,991</b>	<b>\$ 8,000,826</b>	<b>\$ 10,407,151</b>	<b>37.6%</b>
<b>Authorized Positions</b>	<b>58.53</b>	<b>49.35</b>	<b>49.30</b>	<b>54.20</b>	<b>9.8%</b>

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# Strategic Support CSA

## Strategic Support Public Works Department

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES AND EQUIPMENT

**1. Public Works Non-Personal/Equipment Efficiencies** (92,615) (92,615)

This action reduces the Public Works Department non-personal/equipment budget by \$92,615. There will be no impact as a result of this reduction as these costs will be absorbed and shifted to the Public Works Program Support Fund, if necessary. (Ongoing savings: \$92,615)

**Performance Results:**

No changes to service levels are anticipated as a result of this action

**2. In-Source Vehicle Maintenance Activities** (11,000) (11,000)

This action will bring more vehicle maintenance and repair services in-house, while producing savings to the City through a reduction to the contractual services budget. Contingent upon the filling of two Mechanic position vacancies, this reduction will result in a cost savings of \$272,500, of which \$220,725 is generated in the General Fund. As a result of using in-house Fleet Maintenance staff to troubleshoot and resolve mechanical problems, efficiencies should be gained as less fleet equipment will be transported to and from outside facilities; however, cycle times may rise during peak workload periods due to the reduction in the ability for Fleet Management to use contractual services for some major and complex repairs. The cost savings in the Public Works Department, Strategic Support section is \$11,000. (Ongoing savings: \$11,000)

**Performance Results:**

**Cycle Time** A higher quality of work on repairs that are completed should be realized as it will be easier to monitor in-house staff repairs than with a vendor. **Cycle Times** Cycle times for routine repairs are anticipated to decrease as a result of bringing more of them in-house. Cycle times for major and complex repairs could increase, however, as the reduction in the ability to use contractual services during peak workload periods may cause some non-public safety related repairs to be deferred.

**3. Real Estate Program Consolidation** 2.00 2,119,747 2,106,778

This action shifts 2.0 positions (2.0 Real Property Agents) and \$30,000 in associated non-personal/equipment from the General Services Department to the Public Works Department. Because the Public Works Department has the supervisory and administrative structure to better support the unit, it was determined that the Real Estate functions should be consolidated in Public Works. This will allow the centralization of all Real Property staff into one department and provide for a stronger, better-supported work unit. Along with the two positions, budgets for leased spaces (approximately \$1.9 million) throughout the City will be shifted from General Services to Public Works. (Ongoing cost: \$2,119,747)

**Performance Results:**

No changes to service levels will result from this action.



# Strategic Support CSA

## Strategic Support Public Works Department

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES AND EQUIPMENT</b> (CONT'D.)			
<b>4. Public Works Program Support Fund Redeployment</b>	<b>2.90</b>	<b>300,193</b>	<b>0</b>
This action shifts 2.9 positions (1.0 Staff Specialist, 1.0 Analyst, 0.35 Associate Construction Inspector, 0.25 Senior Engineer, 0.25 Engineer, and 0.05 Associate Engineer) from the Regulate/Facilitate Private Development and Plan, Design, and Construct Public Facilities and Infrastructure core services to Strategic Support. These positions will also shift from capital funding (2.0 positions) and the General Fund (0.90 positions) to the Public Works Program Support Fund to support capital and bond programs. The Public Works Program Support Fund is a more appropriate funding mechanism for these positions and more effectively aligns Public Works resources with anticipated workload for 2006-2007. (Ongoing cost: \$300,193)			
<b>Performance Results:</b> No changes to service levels are anticipated as a result of this action; however the capital projects may experience a higher capital service rate due to this action.			
<b>5. Public Works Program Support Fund Technology Enhancements</b>		<b>90,000</b>	<b>0</b>
This action increases the non-personal/equipment allocation in the Public Works Program Support Fund by \$90,000 on a one-time basis. The funding would be used to hire a consultant to improve the Public Works Internet and Intranet websites to ensure that they are both informative and user friendly. In addition, the funding will allow the department to update existing electronic design and drafting software licenses to the most current version. This upgrade will allow documents related to the design and review of projects to be transmitted electronically, which will greatly increase efficiency. (Ongoing cost: \$0)			
<b>Performance Results:</b> <b>Cycle Time</b> The new website design should eliminate the need for external and internal customers to locate a staff person to assist in looking up information on the website. The upgrade to electronic and drafting software licenses is anticipated to increase efficiency as review comments and editing can be done on a single electronic copy and can be forwarded among reviewers and consultants.			
<b>6. Telecommunication Contract Management</b>		<b>0</b>	<b>58,135</b>
This action shifts the funding for 0.5 Real Property Agent from the capital program to the General Fund to support General Fund telecommunication contract management activities, including an increased focus on marketing. Revenues from the telecommunication companies will support all telecommunication contract administration costs. (Ongoing cost: \$58,135)			
<b>Performance Results:</b> <b>Cost</b> It is anticipated that the revenues generated as a result of increased marketing efforts will offset the additional General Fund costs.			
<b>2006-2007 Adopted Strategic Support Changes Total</b>	<b>4.90</b>	<b>2,406,325</b>	<b>2,061,298</b>

## Strategic Support CSA

### Strategic Support Retirement Services Department

#### Performance and Resource Overview (Cont'd.)

**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic support within the Retirement Services Department includes:

- ☐ Retirement Boards' Support
- ☐ Training
- ☐ Contract Administration

#### Performance and Resource Overview

**S**trategic Support is an ongoing requirement to provide the core services of the department.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2005-2006 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 165,926	\$ 213,040	\$ 223,382	\$ 223,382	4.9%
Non-Personal/Equipment	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$ 165,926</b>	<b>213,040</b>	<b>\$ 223,382</b>	<b>\$ 223,382</b>	<b>4.9%</b>
<b>Authorized Positions</b>	<b>2.40</b>	<b>2.40</b>	<b>2.40</b>	<b>2.40</b>	<b>0.0%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

# Mayor, City Council and Appointees



***Mission:** The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services. Council appointees exist to support and advance the collective work done by the City organization through leadership, communication, and coordination.*

## **Mayor and City Council**

- Office of the Mayor
- City Council
- Council General

## **Office of the City Attorney**

- Legal Representation
- Legal Transactions

## **Office of the City Auditor**

- Audit Services

## **Office of the City Clerk**

- Facilitate the City's Legislative Process

## **Office of the City Manager**

- Analyze, Develop, and Recommend Public Policy
- Lead and Advance the Organization
- Manage and Coordinate the City-wide Service Delivery System

## **Office of the Independent Police Auditor**

- Core Service aligned to the Public Safety CSA

## **Redevelopment Agency**

- Core Services aligned to the Community and Economic Development CSA

**Strategic Support**  
**Mayor, City Council and Appointees**  
***BUDGET SUMMARY***

***Budget at a Glance***

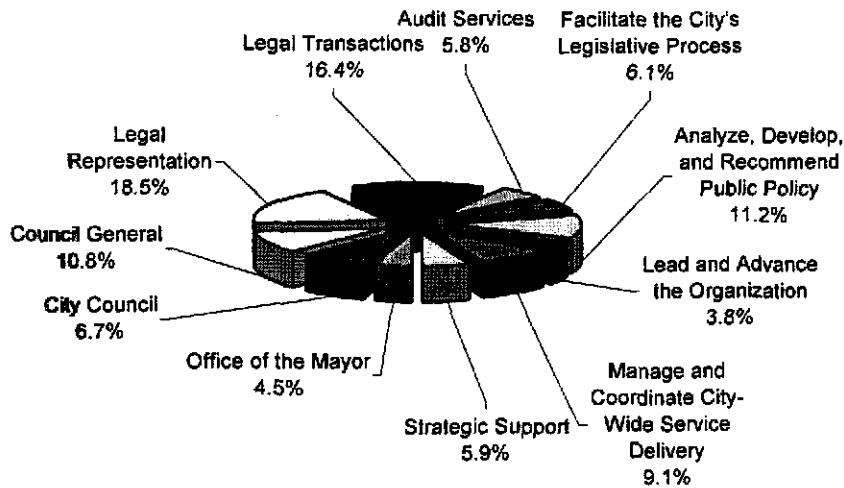
	2005-2006 Adopted	2006-2007 Adopted	% Change
Total Budget (All Funds)	34,881,990	37,984,732	8.9%
Total Authorized Positions	191.12	193.87	1.4%

***Budget & Performance Highlights***

- Per Council direction, the Mayor, City Council, and Appointees ongoing budgets were reduced by 3.1%, the average percentage reduction approved for non-public safety City Service Areas.
- The Mayor and City Council will continue to review public policy and programs, adopting those policies that best meet the needs of the residents, visitors, and businesses in San José.
- The Office of the City Attorney will continue to provide legal counsel and advice, prepare legal documents, and provide legal representation to advocate, defend and prosecute matters on behalf of the interests of the City of San José and San José Redevelopment Agency. Included in this budget is the addition of one Senior Deputy City Attorney to handle the increased demand for legal services related to Public Records Act requests and ethics matters as directed by City Council with the approval of the 2006-2007 Mayor's March Budget Message.
- The Office of the City Auditor will continue to conduct performance audits, special audits, and reviews and provide efficient and effective services with plans to improve the Auditor's website, provide training to City employees on how to incorporate the Office's audit approach into their management philosophy, and explore ways to increase cooperation with, and provide assistance to, other City Council Appointee offices. To help facilitate these efforts, the 2006-2007 budget was increased by \$40,000 for purchase of an electronic workpaper system.
- The Office of the City Clerk will continue to ensure that vital and mandated services are provided and look to enhance customer service by providing more transparent legislative services and easier access to public information. Two positions were approved to be added to the office this year to provide resources to take on added responsibilities related to lobbyist registration and Public Records Act requests as directed by City Council with the approval of the 2006-2007 Mayor's March Budget Message.
- The City Manager's Office will continue to provide the day-to-day leadership of the organization and provide direction on important community-based policies and continue to work to increase the public's involvement in its public policy making, including expanded public access to legislative meetings and public information. This effort includes direction for the development and implementation of a Sunshine Reform Taskforce comprised of individuals from several sectors of the community including academic, business, labor, and non-profits to provide oversight to this challenge. An Executive Analyst II and a Secretary were approved to be added to the Public Outreach Office to help support these goals.

*Strategic Support*  
**Mayor, City Council and Appointees**  
**BUDGET SUMMARY**

**2006-2007 Total Operations by Core Service**



**Mayor, City Council and Appointees Budget Summary**

	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
<b>Mayor and City Council</b>					
Office of the Mayor	\$ 1,012,280	\$ 1,481,524	\$ 1,445,493	\$ 1,721,211	16.2%
City Council	1,899,593	2,723,943	2,505,570	3,051,092	12.0%
Council General	3,076,352	3,648,317	4,031,558	4,108,619	12.6%
<b>Office of the City Attorney</b>					
Legal Representation	5,619,302	6,646,533	7,015,670	7,027,246	5.7%
Legal Transactions	5,194,044	5,491,310	6,238,948	6,223,170	13.3%
<b>Office of the City Auditor</b>					
Audit Services	2,098,417	1,988,590	2,256,400	2,219,661	11.6%
<b>Office of the City Clerk</b>					
Facilitate the City's Legislative Process	1,978,073	2,238,297	2,101,230	2,304,364	3.0%
<b>Office of the City Manager</b>					
Analyze, Develop, and Recommend Public Policy	3,166,048	3,556,046	4,247,247	4,247,247	19.4%
Lead and Advance the Organization	1,703,345	1,701,326	1,375,787	1,375,787	(19.1%)
Manage and Coordinate City-Wide Service Delivery	3,126,540	3,291,577	3,405,985	3,453,018	4.9%
<b>Office of the Independent Police Auditor *</b>					
Independent Police Oversight	N/A	N/A	N/A	N/A	N/A
Strategic Support	1,944,490	2,114,527	2,272,115	2,253,317	6.6%
<b>Total</b>	<b>\$ 30,818,484</b>	<b>\$ 34,881,990</b>	<b>\$ 36,896,003</b>	<b>\$ 37,984,732</b>	<b>8.9%</b>
<b>Authorized Positions</b>	<b>185.62</b>	<b>191.12</b>	<b>189.87</b>	<b>193.87</b>	<b>1.4%</b>

\* The Office of the Independent Police Auditor Core Service is aligned to the Public Safety CSA. Please refer to that section of this document for budget summary information.

**Strategic Support****Mayor, City Council and Appointees****ADOPTED INVESTMENT CHANGES**

<b>Adopted Core Service Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>MAYOR AND CITY COUNCIL</b>			
<i>Office of the Mayor</i>			
• Office of the Mayor Budget Reduction		(41,401)	(41,401)
• Rebudget: 2005-2006 Expenditure Savings		317,119	317,119
<i>City Council</i>			
• City Council Budget Reduction		(77,100)	(77,100)
• Rebudget: 2005-2006 Expenditure Savings		622,622	622,622
<i>Council General</i>			
• Council General Budget Reduction		(131,595)	(131,595)
• Rebudget: 2005-2006 Expenditure Savings		208,656	208,656
<i>Subtotal</i>	<b>0.00</b>	<b>898,301</b>	<b>898,301</b>
 <i>Outcome: CITY AND SAN JOSE REDEVELOPMENT AGENCY INTERESTS ARE PROTECTED AND ADVANCED</i>			
<i>Legal Representation (City Attorney)</i>			
• Attorney's Office Non-Personal/Equipment Efficiencies		(101,307)	(101,307)
• Temporary Attorney Administrative Support Staffing Reduction		(63,117)	(63,117)
• Public Records Act/Ethics Attorney Staffing	1.00	176,000	176,000
<i>Subtotal</i>	<b>1.00</b>	<b>11,576</b>	<b>11,576</b>
 <i>Outcome: CITY AND SAN JOSE REDEVELOPMENT AGENCY BUSINESS IS CONDUCTED LAWFULLY</i>			
<i>Legal Transactional Services (City Attorney)</i>			
• Temporary Attorney Administrative Support Staffing Reduction		(15,778)	(15,778)
<i>Subtotal</i>	<b>0.00</b>	<b>(15,778)</b>	<b>(15,778)</b>
 <i>Outcome: IDENTIFY WAYS TO INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND ACCOUNTABILITY OF CITY GOVERNMENT</i>			
<i>Audit Services (City Auditor)</i>			
• Student Intern Work Hours		(55,400)	(55,400)
• Audit Work Hours		(21,339)	(21,339)
• Electronic Workpaper System		40,000	40,000
<i>Subtotal</i>	<b>0.00</b>	<b>(36,739)</b>	<b>(36,739)</b>

*Strategic Support*

**Mayor, City Council and Appointees**  
**ADOPTED INVESTMENT CHANGES**

<b>Adopted Core Service Changes (Cont'd.)</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<i>Outcome: THE MUNICIPAL LEGISLATIVE PROCESS IS ACCESSIBLE AND OPEN TO THE COMMUNITY</i>			
<i>Facilitate the City's Legislative Process (City Clerk)</i>			
• Temporary Assistant City Clerk Staffing Reduction		(34,590)	(34,590)
• Clerk's Office Non-Personal/Equipment Efficiencies		(6,136)	(6,136)
• Clerk's Office Administrative Management	1.00	116,860	116,860
• Rebudget: Clerk's Office Automation Technology		127,000	127,000
<i>Strategic Support (City Clerk)</i>			
• Clerk's Office Accounting Support Staffing	1.00	68,875	68,875
<i>Subtotal</i>	<b>2.00</b>	<b>272,009</b>	<b>272,009</b>
<i>Outcome: THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS</i>			
<i>Manage and Coordinate City-Wide Service Delivery (City Manager)</i>			
• City Manager Analytical Staffing	(1.00)	(104,803)	(104,803)
• Webmaster and Sunshine Reform Staffing	1.00	87,605	87,605
• Public Outreach Administrative Staffing	1.00	64,231	64,231
<i>Strategic Support (City Manager)</i>			
• City Manager Administration/Special Projects		(87,673)	(87,673)
<i>Subtotal</i>	<b>1.00</b>	<b>(40,640)</b>	<b>(40,640)</b>
<b>Total Core Service Changes</b>	<b>4.00</b>	<b>1,088,729</b>	<b>1,088,729</b>





# *Strategic Support CSA*

## **Mayor and City Council**



***Mission:*** *The Mayor and City Council serve as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of City services*

The municipal government established by the City Charter is a "Council-Manager" form of government. The City Council serves as the policy body that provides direction to the City Manager and all Council Appointees in the delivery of services to the residents and businesses of San José.

The mission of the Office of the Mayor is further spelled out in the City Charter. The Charter states that the Mayor shall be the political leader within the community by providing guidance and leadership to the Council, by expressing and explaining to the community the City's policies and programs and by assisting the Council in the informed, vigorous and effective exercise of its powers. Political leadership shall be concerned with the general development of the community and the general level of City services and activity programs.

### ***Primary Partners***

**Mayor and City Council**

Office of the City Attorney

Office of the City Auditor

Office of the City Clerk

Office of the City Manager

Office of the Independent  
Police Auditor

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### **BUDGET PROGRAMS**

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- Office of the Mayor
- City Council
- Council General

# Strategic Support CSA

## Budget Program: Office of the Mayor *Mayor and City Council*

**T**he Office of the Mayor is responsible for developing and proposing the fiscal priorities of the City; appointing Councilmembers to the City's standing committees, boards, and commissions; providing guidance and leadership to the City Council; explaining to the community the

City's policies and programs; assisting the Council in effective exercise of its powers; and providing political leadership. The Mayor's Office also supervises the Charter-established Public Information Office responsible for the dissemination of public information and the coordination of the City's marketing efforts.

### Program Budget Summary

	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Operating Expenditures	\$ 1,012,280	\$ 1,481,524	\$ 1,445,493	\$ 1,721,211	16.2%
<b>Total</b>	<b>\$ 1,012,280</b>	<b>\$ 1,481,524</b>	<b>\$ 1,445,493</b>	<b>\$ 1,721,211</b>	<b>16.2%</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

### Budget Changes By Program

Adopted Program Changes	Positions	All Funds (\$)	General Fund (\$)
<b>1. Office of the Mayor Budget Reduction</b>		<b>(41,401)</b>	<b>(41,401)</b>
This action implements a general reduction to the Office of the Mayor's operating expenditures equal to the average reduction approved for non-public safety departments, as directed in the 2006-2007 Mayor's March Budget Message approved by City Council. (Ongoing savings: \$0)			
<b>2. Rebudget: 2005-2006 Expenditure Savings</b>		<b>317,119</b>	<b>317,119</b>
This action rebudgets 2005-2006 expenditure savings of \$317,119 for use in 2006-2007. (Ongoing costs: \$0)			
<b>2006-2007 Adopted Changes Total</b>	<b>0.00</b>	<b>275,718</b>	<b>275,718</b>

## Strategic Support CSA

### Budget Program: City Council *Mayor and City Council*

**A**s established by Section 400 of the City Charter, the City Council exercises its power and determines policy through adoption of ordinances, resolutions, and motions subject to the provisions of the

City Charter and the State Constitution. The Council ensures the right of all persons to present grievances or offer suggestions for the betterment of municipal affairs.

### Program Budget Summary

	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Operating Expenditures	\$ 1,899,595	\$ 2,723,943	\$ 2,505,570	\$ 3,051,092	12.0%
Total	\$ 1,899,595	\$ 2,723,943	\$ 2,505,570	\$ 3,051,092	12.0%
Authorized Positions	N/A	N/A	N/A	N/A	N/A

### Budget Changes By Program

Adopted Program Changes	Positions	All Funds (\$)	General Fund (\$)
1. City Council Budget Reduction		(77,100)	(77,100)
This action implements a general reduction to the City Council's operating expenditures equal to the average reduction approved for non-public safety departments, as directed in the 2006-2007 Mayor's March Budget Message approved by City Council. (Ongoing savings: \$0)			
2. Rebudget: 2005-2006 Expenditure Savings		622,622	622,622
This action rebudgets 2005-2006 expenditure savings of \$622,622 for use in 2006-2007. (Ongoing costs: \$0)			
2006-2007 Adopted Changes Total	0.00	545,522	545,522

## Strategic Support CSA

### Budget Program: Council General

*Mayor and City Council*

**C**ouncil General provides funding resources to the Office of the Mayor and City Council. Included in this program are Mayor and City Council Members' salary and benefits, Council Assistant benefits,

clerical support for both offices, as well as funding for miscellaneous non-personal/equipment expenditures such as travel.

### Program Budget Summary

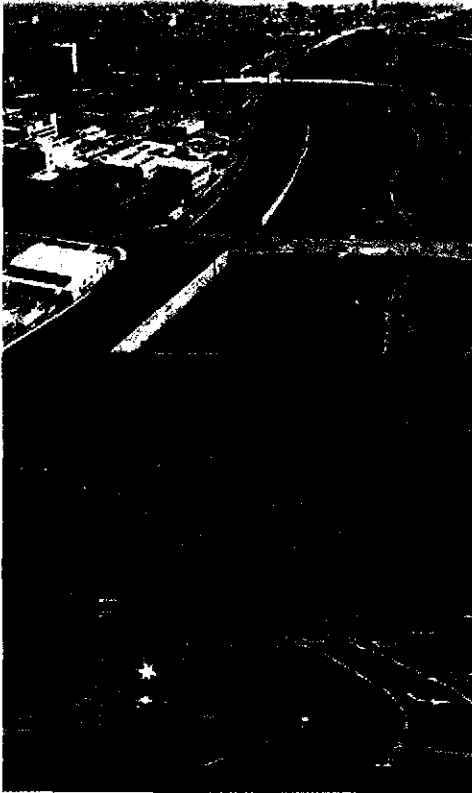
	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Operating Expenditures	\$ 3,076,352	\$ 3,648,317	\$ 4,031,558	\$ 4,108,619	12.6%
<b>Total</b>	<b>\$ 3,076,352</b>	<b>\$ 3,648,317</b>	<b>\$ 4,031,558</b>	<b>\$ 4,108,619</b>	<b>12.6%</b>
Authorized Positions	N/A	N/A	N/A	N/A	N/A

### Budget Changes By Program

Adopted Program Changes	Positions	All Funds (\$)	General Fund (\$)
1. Council General Budget Reduction		(131,595)	(131,595)
This action implements a general reduction to the Council General operating expenditures equal to the average reduction approved for non-public safety departments, as directed in the 2006-2007 Mayor's March Budget Message approved by City Council. (Ongoing savings: \$0)			
2. Rebudget: 2005-2006 Expenditure Savings		208,656	208,656
This action rebudgets 2005-2006 expenditure savings of \$208,656 for use in 2006-2007. (Ongoing costs: \$0)			
<b>2006-2007 Adopted Changes Total</b>	<b>0.00</b>	<b>77,061</b>	<b>77,061</b>

# *Strategic Support CSA*

## **Office of the City Attorney**



***Mission:*** *The Office of the City Attorney is committed to providing excellent legal services, consistent with the highest professional and ethical standards, to the City and San José Redevelopment Agency, with the goal of protecting and advancing their interests in serving the people of San José.*

The Office of the City Attorney serves as legal counsel to San José's city government, including the Mayor, City Council, Council Appointees, and the City's various departments, boards, committees, and commissions. The Office also serves as General Counsel to the San José Redevelopment Agency (SJRA).

The Office has a diverse staff of highly talented professionals with the expertise to provide comprehensive legal services for a wide range of issues. Key services provided by the Office include:

- Legal counsel at meetings of the City Council and SJRA, and meetings of all major boards, committees, and commissions
- Oral and written legal counsel, advice and opinions
- Prepare and review legal documents to implement official City and SJRA actions
- Legal research and legislative analyses
- Facilitate city-wide training sessions to keep staff informed of current laws
- Initiate and defend lawsuits and other legal actions
- Prosecute criminal proceedings involving violations of the Municipal Code
- Seek injunctions for general nuisance; and gang and drug abatements to promote public safety
- Representation at administrative hearings
- Claims management
- Pursuit of monetary damages
- Workers' Compensation legal advice, investigation, and litigation services
- Coordinate complex Public Records Act requests

### ***Primary Partners***

Mayor and City Council  
**Office of the City Attorney**  
Office of the City Auditor  
Office of the City Clerk  
Office of the City Manager  
Office of the Independent  
Police Auditor

### **CSA OUTCOMES**

- City and San José Redevelopment Agency Business is Conducted Lawfully
- City and San José Redevelopment Agency Interests are Protected and Advanced

**Strategic Support CSA**  
**Office of the City Attorney**  
***FIVE-YEAR BUSINESS PLAN***

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**Current Position**     *How are we doing now?*

- The Office of the City Attorney provides comprehensive legal services to the City and San José Redevelopment Agency (SJRA) including the Mayor, City Council, Redevelopment Agency Board, Council Appointees, City departments, boards, and commissions.
- The primary functions of the Office are to provide legal counsel and advice, prepare legal documents, and to provide legal representation to advocate, defend and prosecute matters on behalf of the interests of the City and SJRA.
- In 2004-2005, the Office generated almost \$15 million in revenue from plaintiff cases. The Office continues to aggressively seek monetary damages on behalf of the City and SJRA.
- Recent year budget reductions have reduced office resources at a time when the demand for legal services has not decreased. The Office had a total of 104.62 authorized positions in 2001-2002. Over the prolonged economic downturn, this staffing level decreased by 10% leaving the Office with 93.62 positions (plus 3.0 positions transferred from the Police Department) in 2005-2006.
- In addition to providing routine legal services that support the clients' daily operational needs, legal transactional teams dedicate substantial staff hours to several major City and SJRA projects, including the San José Grand Prix, Affordable Housing Initiative, Airport facility expansion, and Strong Neighborhoods Initiative (SNI) Project Implementation.
- The City Attorney's Office and Employee Relations conducted Non-Discrimination and Anti-Harassment training sessions for all of the City's supervisors. This involved facilitating over 60 training sessions, with additional training sessions scheduled in 2006-2007 for non-supervisors.
- Significant resources are dedicated to responding to Public Records Act requests. Reviewing and indexing documents, and finalizing the City's response within the legally-mandated timeframe, have required extensive staff time.
- Substantial staff time has been devoted to responding to Santa Clara County Grand Jury special investigations. These time sensitive matters have strained litigation and transactional resources.
- Ethics-related matters (including conflicts, campaign, election, and lobbyist issues) have demanded considerable legal resources.
- The Office is currently handling all litigation with in-house staff which results in significant savings to the City. Only one conflicts case was sent to outside counsel earlier this year, and it has since been dismissed.
- Litigation teams are assigned to major cases involving gaming control regulation, land use, SNI, Great Oaks Water, North San José development, and significant Police matters.
- Legal Representation workload highlights are listed below:
  - ❑ 1,130 open litigation files including civil, criminal, and administrative proceedings, of which 374 are Police cases
  - ❑ 628 active civil lawsuits pending in state, federal, and appellate courts
  - ❑ 1,243 workers' compensation claims
  - ❑ 536 general liability claims filed in 2004-2005
  - ❑ SNI legal team collected \$273,519 in fines and judgments in 2004-2005, which brings the total collected since July 2001 to \$895,669
  - ❑ Workers' Compensation third party subrogation cases recovered \$240,834 in 2004-2005

*Strategic Support CSA*  
**Office of the City Attorney**  
***FIVE-YEAR BUSINESS PLAN***

***Current Position***     *How are we doing now? (Cont'd.)*

- Transactional division workload highlights for 2004-2005 are listed below:
  - ❑ 308 Ordinances prepared
  - ❑ 612 Resolutions prepared
  - ❑ 4,826 Agreements reviewed/prepared
  - ❑ 1,987 City Council/SJRA memoranda prepared
  - ❑ 1,719 City Council/SJRA Board memoranda reviewed

***Trends / Issues / Opportunities***     *What developments require our response?*

- 2006-2007 will be the fifth consecutive year that budget reduction actions were required to address a General Fund shortfall. The economic outlook is improving; however, the City continues to confront a structural fiscal imbalance where expenditures exceed revenues by a significant amount.
- Workload has exceeded staff capacity. Legal services demand has not decreased during the prolonged economic downturn, and in fact, has increased in some areas. The Office will work towards filling critical staff vacancies in the upcoming year.
- Public Records Act requests are growing in number and complexity. The advent of e-mails and the effects of Proposition 59 have resulted in a greater demand on the legal resources required to review documentation.
- Ethics-related matters requiring legal review are increasing.
- Strong emphasis to adopt "sunshine" guidelines/ordinances to improve transparency of City government.
- The Mayor's March Budget Message recommended the addition of 1.0 attorney position to address the increasing legal workload related to Public Records Act requests and complex ethics matters, including conflicts, campaign, election, and lobbyist issues.
- Workers' compensation claims referred to the City Attorney's Office by the Human Resources Department have risen from 100 claim referrals in 2001 to 337 claims referred in 2005.
- The Airport Master Plan, including related facility expansion, is the largest set of capital projects ever undertaken by the City. Project implementation requires extensive legal services.
- The City is currently implementing one of the largest capital infrastructure investment programs in its history. Legal services demand will increase with respect to the implementation of these projects.
- City Service Area (CSA) Business Plans are being revised due to budgetary constraints. Legal needs are changing and the City Attorney's Office remains flexible in its support to its clients.
- General Plan amendments are occurring more frequently. Increased staff time is necessary for environmental reviews and attendance at meetings.
- Implementation of the SNI projects in neighborhoods throughout the City requires extensive legal services in drafting and reviewing documents.

*Strategic Support CSA*  
**Office of the City Attorney**  
***FIVE-YEAR BUSINESS PLAN***

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***Policy Framework***     *What policies guide our strategies?*

The City Attorney's Office is a strategic support department and the development of the Business Plan is based on the following factors:

- Legal mandates
- Direction from Mayor, City Council and SJRA Board
- CSA Five-Year Business Plans provide the foundation to forecast the legal needs of the City and SJRA
- SNI neighborhood plans
- Economic Development Strategy
- City of San José 2020 General Plan

***Key Strategic Goals & Objectives***     *Where are we going?*

The City Attorney's Office Five-Year Business Plan is pertinent to the following two outcomes.

**Outcome 1: City and San José Redevelopment Agency Business is Conducted Lawfully**

**Outcome 2: City and San José Redevelopment Agency Interests are Protected and Advanced**

- Work together with our clients to implement official City and SJRA actions
- Provide excellent legal services in a cost effective and timely manner
- Efficient management of resources to support daily operational needs of the clients
- Build internal capacity to flexibly respond to changing legal needs
- Employ state-of-the-art technology to increase efficiencies



Strategic Support CSA  
Office of the City Attorney

## TWO-YEAR INVESTMENT STRATEGY

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### Overview

*The City Attorney's Office Investment Strategy focuses on balancing the need to reduce General Fund expenditures while continuing to deliver excellent legal services in a timely manner. As legal counsel for the tenth largest city in the United States, the Office manages an extremely high volume of transactional and litigation work. With few exceptions, meeting this workload demand has been achieved with in-house staff, which has been difficult at times, as reduction actions implemented over the past four years have cumulatively resulted in significant staffing shortages and fewer non-personal/equipment resources. The Office has been successful in meeting this challenge, due in large part to the efforts of a dedicated and professional staff, and an internal structure that has the flexibility to quickly respond to the clients' changing legal needs.*

*With the City Council's ongoing support, the City Attorney's Office remains committed to retaining most legal work in-house as it results in significant budgetary savings on outside counsel costs. The Office is fortunate to have a diverse staff of professionals with experience in a wide variety of practice areas. This broad expertise enables the Office to handle matters that otherwise would need to be sent to specialized outside counsel. The Office spent \$487,500 for outside counsel services in 2004-2005, with litigation expenses accounting for only \$184,700 of that amount. In comparison, the cities of Los Angeles, San Francisco, and Oakland spent \$31.9 million, \$6.8 million, and \$1.98 million respectively, for outside counsel services over the same period. The City of Long Beach expended \$1.3 million on outside counsel for litigation matters. These expenses are in addition to regular operating costs, as the city attorney offices for these four cities have in-house staff performing the majority of the legal work.*

*Although 2006-2007 will be the fifth consecutive year that budget reduction actions were required to address a shortfall, the economy has exhibited signs of recovery, which has improved the City's fiscal outlook. The result is that the reduction target for the upcoming year was lower than in past years, and this allowed the Office the opportunity to fill critical vacancies in both the transactional and litigation divisions. Hiring additional staff is a priority to address a demand for legal services that has not diminished during the prolonged economic downturn, and in fact, has increased in some areas, particularly work related to Public Records Act requests, and ethics-related matters.*

*Training remains an important component to staff's professional development, and educational seminars provide vital information on recent changes in the law or cases that may affect the legal advice provided to our clients. The attorneys are also required by law to obtain a minimum amount of continuing legal education to maintain their State Bar membership. Past budget reduction actions severely reduced the Office's training funds; however, the improved fiscal condition will enable the Office to restore the training budget to a level that will provide more training opportunities for professional staff.*

*The Office's information technology master plan identifies the need to soon replace computers and servers. The Office will work with the appropriate city staff to identify a funding source and to implement the actions outlined in the master plan.*

*The City Attorney's Office recognizes that these lean budget times have challenged the entire City organization to maintain service levels with fewer resources. Consistent with the 2006-2007 Mayor's March Budget Message, as approved by the City Council, actions to reduce the Mayor, City Council, and Appointee budgets by 3.1%, the same average percentage as non-public safety City Service Areas are included in this budget. For the City Attorney's Office, that amount is \$318,575. Reductions to achieve that amount included non-personal/equipment efficiencies, freezing a Legal Administrative Assistant II position, and liquidating contractual encumbrances. The Office remains committed to providing excellent legal services and will continue to work together with the clients to deliver projects "on time and on budget."*

**Overview** (Cont'd.)

*The investment strategy for the Office focused on three primary goals:*

- *Reduce General Fund expenditures*
- *Efficient and cost effective management of resources*
- *Build internal capacity to respond to changing legal needs, and prepare for legal services associated with the projects set forth in the various CSA five-year business plans*

**Key Investments & Objectives** *How will we accomplish our goals?*

**Outcome 1: City and San José Redevelopment Agency Business is Conducted Lawfully**

**Year 1: 2006-2007 – Planned Service Strategies**

- Provide legal counsel at meetings of the City Council and Redevelopment Agency Board, and meetings of all major boards, committees, and commissions.
- Provide oral and written legal advice and opinions.
- Prepare and review legal documents including ordinances, resolutions, permits, contracts, and other legal documents to implement official City and SJRA actions.
- Perform legal research and legislative analyses.
- Cost recovery of legal services provided to the Police Department's Division of Gaming Control.
- Personal services reduction to suspend the hiring of 1.0 Legal Administrative Assistant position that partially supports the transactional division.

**Year 2: 2007-2008 – Projected Service Strategies**

- Provide legal counsel at meetings of the City Council and Redevelopment Agency Board, and meetings of all major boards, committees, and commissions.
- Provide oral and written legal advice and opinions.
- Prepare and review legal documents including ordinances, resolutions, permits, contracts, and other legal documents to implement official City and SJRA actions.
- Perform legal research and legislative analyses.
- Cost recovery of legal services provided to the Police Department's Division of Gaming Control.
- Additional reductions to the non-personal/equipment budget may be required as a result of budget constraints.
- Additional personal services reductions may be necessary to address the potential budget shortfall.

*Strategic Support CSA*  
**Office of the City Attorney**  
***TWO-YEAR INVESTMENT STRATEGY***

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***Key Investments & Objectives***     *How will we accomplish our goals? (Cont'd.)*

**Outcome 2: City and San José Redevelopment Agency Interests are Protected and Advanced**

***Year 1: 2006-2007 – Planned Service Strategies***

- Initiate and defend legal actions involving the City and SJRA.
- Aggressively seek monetary damages on behalf of the City and SJRA.
- Prosecute municipal code violations.
- Handle claims filed against the City and SJRA.
- Provide workers' compensation legal advice, investigation, and litigation services.
- Coordinate complex Public Records Act requests.
- Personal services budget augmentation adding 1.0 Senior Deputy City Attorney position to address increased legal workload related to Public Records Act requests and ethics matters, including conflicts, campaign, election, and lobbyist issues.
- Personal services budget reduction to suspend the hiring of 1.0 Legal Administrative Assistant position that partially supports the litigation division.
- Ongoing reduction to non-personal/equipment budget in the amount of \$101,307.
- Cost recovery of legal services provided to the Police Department's Division of Gaming Control.

***Year 2: 2007-2008 – Projected Service Strategies***

- Initiate and defend legal actions involving the City and SJRA.
- Aggressively seek monetary damages on behalf of the City and SJRA.
- Prosecute municipal code violations.
- Handle claims filed against the City and SJRA.
- Provide workers' compensation legal advice, investigation, and litigation services.
- Coordinate complex Public Records Act requests.
- Cost recovery of legal services provided to the Police Department's Division of Gaming Control.
- Additional reductions to personal and non-personal/equipment budgets may be required as a result of budget constraints.

## Strategic Support CSA

### Core Service: Legal Representation *Office of the City Attorney*

#### Core Service Purpose

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**A**dvocate, defend, and prosecute on behalf of the City and Redevelopment Agency's interests.

##### Key Operational Services:

- ☐ **Provide legal representation in virtually all matters, cases, and controversies arising from claims by or against the City and the Redevelopment Agency**
- ☐ **Retain, coordinate, and supervise outside legal counsel that represent the City or the Redevelopment Agency in matters involving litigation**
- ☐ **Prosecute criminal proceedings involving violations of the San José Municipal Code**
- ☐ **Provide legal representation before the State, federal and appellate Courts, agencies and boards, including the Workers' Compensation Board, and at adversarial hearings before City boards and commissions**
- ☐ **Provide pre-litigation advice and counsel to avoid litigation and to protect the City's interests should litigation occur**

#### Performance and Resource Overview

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**L**egal representation is provided by the City Attorney's Office on behalf of the Mayor, City Council, Council Appointees, City Departments, City and San José Redevelopment Agency (SJRA) employees, and City boards and commissions.

The purpose of legal representation is to advocate, defend, and prosecute on behalf of the City and SJRA. This includes a wide variety of activities and objectives that collectively attempt to protect the City and SJRA's rights, minimize civil and financial liability, and advance community welfare.

Legal representation services include: general liability claims management; defense of lawsuits; pursuit of contractual indemnities and appropriate insurance tenders; coordination of outside legal counsel; alternative dispute resolution; workers' compensation investigations and litigation; initiation of litigation; prosecution of municipal code violations; seeking injunctions for general nuisance; and gang and drug abatements to promote safer communities. The litigation and transactional attorneys work collaboratively to provide advice and counsel to the clients in a proactive effort to reduce litigation risks.

## Strategic Support CSA

### Core Service: Legal Representation *Office of the City Attorney*

#### **Performance and Resource Overview (Cont'd.)**

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The Litigation Division, with 17 attorneys and two supervising attorneys, is responsible for managing a current caseload of 1,130 open litigation files, including criminal, civil and administrative proceedings. Of these matters, 628 are civil lawsuits pending in the State, federal, and appellate courts. The average caseload per attorney is approximately 66 cases, including 37 civil court cases and 29 other matters, such as civil service cases, administrative code enforcement appeals, criminal prosecutions, and Pitchess motions. This is a higher caseload than desired, and as the City's financial condition appears to be improving for 2006-2007, the Office will initiate the process of filling two litigation attorney positions that have been vacant since 2003.

Extensive legal resources are dedicated to Police Department cases that account for 374 of the open files. One police sergeant and two officers assigned to the Office provide claims and litigation support, including Strong Neighborhoods Initiative enforcement actions. The Office continues to work closely with Police Administration to communicate the status of cases and to discuss operational issues that may arise during the course of litigation.

Over the past two years, the Litigation Division has experienced a significant workload increase in the areas of Public Records Act requests, ethics-related matters, and grand jury special investigations. These time-sensitive matters are often complex and the amount of work required to respond to these high priority issues has consumed substantial resources. It does not appear that this workload demand will diminish in the future. Considerable resources are also devoted to a number of major City and SJRA projects, and this need is anticipated to continue into 2006-2007. Some of these cases are related to the following matters:

- Strong Neighborhoods Initiative – Code Enforcement and Abatement Actions
- Gaming Control Regulation
- North San José Development
- Airport Noise Program
- San José Muni Water – Great Oaks Water
- Cable Renewal Formal Process
- Police Cases
- Employment Cases
- Public Records Act Requests
- Labor Negotiations – Arbitrations
- Capital Projects - Construction Litigation
  - Hope Street Improvement Project
  - Environmental Services Building
  - Animal Care Facility

# Strategic Support CSA

## Core Service: Legal Representation *Office of the City Attorney*

### **Performance and Resource Overview (Cont'd.)**

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Although the primary litigation role of the Office is to defend lawsuits, the Office actively pursues cases to recover damages on behalf of the City and SJRA. For 2004-2005, the Office generated nearly \$15 million from plaintiff cases, with the tobacco settlement accounting for two-thirds of this amount. The code enforcement actions initiated by the Strong Neighborhoods Initiative legal team generated \$273,519 in fines.

As the administrator for liability claims filed against the City and SJRA, the Office handled 536 claims during 2004-2005. Claims management, handled by litigation legal analysts, begins with an investigation that may involve witness interviews, gathering evidence, taking photographs or video, and conducting surveillance. Upon completion of an investigation, the facts are reviewed in light of applicable law to determine the appropriate legal action. If liability is at issue, damages are evaluated prior to settlement negotiation. Legal analysts also provide litigation support to the attorneys and appear at small claims court to defend the City and SJRA when necessary.

The workers' compensation attorneys provide advisory counsel and litigation services including appellate review. Four attorneys are managing the current workload of 1,243 litigated claims, 52 subrogation cases, and 48 investigations. Major litigation of 232 Surgery Center claims was also resolved over this past year. The number of claims referred to the City Attorney's Office by the Human Resources Department Workers' Compensation Unit has dramatically risen over the past four years from 100 claim referrals in 2001 to 337 claims opened during 2005. This is fewer than the 479 claims referred in 2004, and correlates with the decline in the number of claims filed city-wide. Approximately 25% of the attorneys' time is dedicated to addressing issues related to departmental claims procedures and regulations. The Office conducts monthly training sessions for City staff to review changes in the law that impact claims processing. The workers' compensation attorneys also assumed responsibility for the supervision and litigation of third party work-related injuries arising from Airport construction projects that began in 2005. This new program is related to the insurance policies placed at the Airport, and the workload increase depends on the number of claims filed. The first claim was recently filed; however, it is anticipated that more claims will be filed over the next few years.

The workers' compensation attorneys coordinate third party subrogation cases. These cases resulted in a total recovery of \$240,834 for 2004-2005, an amount that is consistent with the collection rate over four of the past five years. In addition to the revenue generating benefits and cost savings achieved from performing this legal work in-house, the program provides better coordination of cases with multiple claims involving issues related to workers' compensation, retirement, safety, the Americans with Disabilities Act, and the Family Medical Leave Act. The Office also coordinates with the Return to Work Program and vocational rehabilitation of injured employees.

The legal analysts perform complex workers' compensation investigations, including virtually all required surveillance work. Providing this service in-house significantly reduces costs and maintains the City's compliance with the state-mandated workers' compensation anti-fraud program.

# Strategic Support CSA

## Core Service: Legal Representation *Office of the City Attorney*

### **Performance and Resource Overview (Cont'd.)**

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The City Attorney's Office conducts surveys to assess client satisfaction levels and to identify opportunities for strengthening client service. Results from the 2006 client survey were overwhelmingly positive with regard to services provided by the Legal Representation division. The Office is extremely pleased with the survey responses as it affirms that changes implemented in response to prior client feedback have been effective.

A performance measure for quality tracks the percentage of time that the final result of a case is consistent with the Office's analyses and recommendations. Final resolution of cases is by way of settlement, trial, or dismissal, depending upon the facts presented and the legal issues involved. It is the Office's responsibility to perform a thorough analysis of a case and to provide the client with a realistic forecast of potential outcomes. During this past year, 90% of the litigation cases resulted in final resolution that was within the Office's case assessment.

Costs to hire outside local attorneys for litigation services vary from \$145 - \$600 per hour, for an average hourly rate of \$373. Rates vary depending on the type of law practice and level of experience. The in-house Office rate, based on a 40-hour week, averages \$107 per hour including salary, retirement, fringe, and 41% overhead for departmental and central service costs. A large percentage of City attorneys average much more than 40 hours per week, thus it is clearly more cost-effective for the City to have in-house legal counsel handle litigated matters. In addition, the Office would not be able to control costs, and future budgets would be impacted. Once a litigation case is assigned out, it ordinarily needs to stay with the outside firm until final resolution. The life of a case could extend over several years.





The 2006 client survey showed an 89% satisfaction rating from respondents who reported that the Office kept them timely informed of significant developments of a litigated case. This is a sharp increase from the 66% satisfaction rating from the 2005 survey. The Office recognizes the importance of maintaining timely and open communication with the clients, and will continue to provide regular case status reports to the clients.

The 2006 client survey showed that 100% of the respondents were satisfied with the overall legal representation services received from the Office. This is an improvement from the 84% satisfaction rating from the 2005 survey. The Office is highly encouraged by this favorable rating, and will strive to sustain this level of excellent service.

# Strategic Support CSA

## Core Service: Legal Representation Office of the City Attorney

### Performance and Resource Overview (Cont'd.)

Legal Representation Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of time final case results are within staff analyses and/or recommendations	87%	80%	90%	80%
 Cost of representation compare favorably to law offices of similar size, practice, and expertise, including other governmental law offices				
• City Attorney's Office average hourly rate	\$104	\$106	\$107	\$110
• Outside Legal Counsel average hourly rate	\$375	\$375	\$373	\$375
 % of time client is timely informed of significant developments in a case	66%	80%	89%	80%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	84%	80%	100%	80%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of claims filed against the City	1,061	990	800	1,000
Number of lawsuits filed against the City	276	240	225	250
Number of lawsuits and administrative actions filed or initiated by the City	362	375	300	370

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*



## Strategic Support CSA

### Core Service: Legal Representation *Office of the City Attorney*

#### Performance and Resource Overview (Cont'd.)

Legal Representation Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 4,841,981	\$ 5,764,107	\$ 6,129,844	\$ 6,242,727	8.3%
Non-Personal/Equipment	777,321	882,426	885,826	784,519	(11.1%)
Total	\$ 5,619,302	\$ 6,646,533	\$ 7,015,670	\$ 7,027,246	5.7%
Authorized Positions	40.90	46.40	45.40	46.40	0.0%

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes by Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### CITY AND SAN JOSE REDEVELOPMENT AGENCY INTERESTS ARE PROTECTED AND ADVANCED

1. Attorney's Office Non-Personal/Equipment Efficiencies		(101,307)	(101,307)
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This ongoing reduction action reduces the Office's non-personal/equipment budget. A significant amount of this appropriation is earmarked for outside experts and consultants utilized for complex and specialized litigation matters. Reducing the budget for these services may make it more difficult and less timely to advocate the City's position in certain complex cases. (Ongoing savings: \$101,307).

#### Performance Results:

**Quality:** The Office will strive to continue providing excellent legal services to the clients. **Cycle Time:** This may increase due to the expanded workload necessarily absorbed by an in-house staff that is already operating at capacity. **Customer Satisfaction:** This may decline if favorable case results decrease.

# Strategic Support CSA

## Core Service: Legal Representation *Office of the City Attorney*

### Budget Changes by Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>CITY AND SAN JOSE REDEVELOPMENT AGENCY INTERESTS ARE PROTECTED AND ADVANCED (CONT'D.)</b>			
<b>2. Temporary Attorney Administrative Support Staffing Reduction</b>		(63,117)	(63,117)
This action suspends, for one-year, the hiring of 0.8 Legal Administrative Assistant position that supports the Legal Representation core service. The remaining portion of this position is included in the Legal Transaction Core Service Section of this document. (Ongoing savings: \$0)			
<b>Performance Results:</b>			
<b>Quality:</b> The workload will continue to be absorbed by existing staff, and there should not be a decrease in the quality of the work product. <b>Cycle Time:</b> Turnaround times on lower priority items may increase; however, the Office will absolutely meet legally mandated due dates. <b>Customer Satisfaction:</b> This may decrease if longer cycle times do not consistently meet client expectations.			
<b>3. Public Records/Ethics Attorney Staffing</b>	1.00	176,000	176,000
Pursuant to the 2006-2007 Mayor's March Budget Message, this ongoing action augments attorney staffing by adding a Senior Deputy City Attorney position to handle the increased demand for legal services related to Public Records Act requests and ethics matters including conflicts, campaign, lobbyist, and election activities. (Ongoing costs: \$176,000)			
<b>Performance Results:</b>			
<b>Quality:</b> The Office will strengthen its ability to provide excellent legal service in these practice areas. <b>Cycle Time:</b> Turnaround times on assignments should shorten as a result of this action. <b>Customer Satisfaction:</b> Satisfaction levels should improve due to increased legal services.			
<b>2006-2007 Adopted Core Service Changes Total</b>	1.00	11,576	11,576

## **Strategic Support CSA**

### **Core Service: Legal Transactions** *Office of the City Attorney*

#### **Core Service Purpose**

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**P**rovide oral and written advice on legal issues and prepare documents to implement official City and Redevelopment Agency actions.

##### **Key Operational Services:**

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Preparation of ordinances, resolutions, permits, contracts, and other legal documents</b> | <input type="checkbox"/> <b>Oral and written legal counsel and advice</b> |
|   | <input type="checkbox"/> <b>Performance of legal research</b>             |

#### **Performance and Resource Overview**

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**T**he Office of the City Attorney provides legal transactional services to the Mayor, City Council, Council Appointees, City Departments, and City boards and commissions. Also, in the City Attorney's role as General Counsel to the Redevelopment Agency, the Office provides the same services to the Redevelopment Agency Board and staff.

The Office works in partnership with all of its clients to achieve organizational goals in a legal, cost-effective and efficient manner. A considerable amount of time is devoted to providing legal counsel and advice to the clients. The City Attorney attends meetings of the City Council and Redevelopment Agency Board, and staff attorneys attend meetings of all major boards and commissions to provide legal counsel on issues before these bodies. The attorneys spend a large portion of their day with the clients via phone, e-mail, or personal consultations. Providing legal advice often involves performing legal research to identify and analyze legal issues and risks, and to certify that the advice is based on current law. It is the goal of the Office to provide comprehensive advice to the clients so that they can make informed and effective business and policy decisions.

The City Attorney's Office and Office of Employee Relations conducted Non-Discrimination and Anti-Harassment training sessions this year for all of the City's supervisors. This involved facilitating over 60 training sessions, with additional training sessions scheduled in 2006-2007 for non-supervisors. The Office will also be conducting ethics training in the upcoming year, as well as training sessions on subject matters specific to individual city departments.

Staff dedicates a considerable amount of time to preparing and reviewing City Council and SJRA Board memoranda and reports. This requires ongoing coordination with City and SJRA staff to confirm details and to identify and resolve legal issues. In 2004-2005, the Office prepared or reviewed over 3,700 City Council and San José Redevelopment Agency memoranda; and drafted or reviewed 308 ordinances and 612 resolutions. Preparation of legal documents keeps the attorneys integrally involved with City and SJRA programs and projects.

# Strategic Support CSA

## Core Service: Legal Transactions

*Office of the City Attorney*

### **Performance and Resource Overview (Cont'd.)**

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The Transactional Division has experienced a marked workload increase over the past two years for ethics-related issues and Public Records Act requests. Currently, there is also a strong emphasis on implementing a variety of sunshine ordinances to improve transparency and open government. Substantial legal resources have been allocated to these matters, as well as to programs given priority by the Mayor and City Council. At the same time, the Office must provide the routine legal services necessary to support the clients' daily operational needs.

Legal transactional teams are dedicated to several major City and SJRA projects. The mandate from the Mayor and City Council to reach the milestone of 1,200 affordable housing units per year through 2011 requires the Housing legal team to work under tight deadlines to process a high volume of loan documents, agreements, and grants. A team will be providing legal support to the Planning, Building and Code Enforcement Department for the Evergreen Smart Growth Strategy, Coyote Valley Specific Plan, and North San José Area Development projects. The Airport Master Plan, the largest capital project in the City's history, requires significant legal resources to address a variety of issues including curfew, noise abatement, construction, litigation, facility expansion, and tenant lease negotiations.

The following ongoing and new projects will require extensive staff time during 2006-2007:

- Strong Neighborhoods Initiative Project Implementation
- Ethics and Sunshine Reforms
- Gaming Control Regulation
- Recycle Plus - Request for Proposals
- Commercial Solid Waste Program Redesign
- Stormwater System Permits
- Smart Start San José Early Childhood Education Initiative
- Downtown Retail and High-Rise Projects
- Story-King Implementation
- Issuance of Bonds – Housing and San José Redevelopment Agency
- Expansion of Commercial Paper Program to Finance Airport Construction Projects
- Financing for Civic Center Parking Garage
- Airport Construction Projects including North Concourse Building and Design Build Request for Proposals
- Airline Lease Negotiations
- Airport Food and Beverage, Advertising, and Retail - Request for Proposals
- Capital Improvement Program – Library, Parks, and Public Safety Improvements
- Cable Franchise Renewal and Potential New Video Programming with AT&T
- Development of City-wide Guidelines for Request for Proposals process
- Consolidated Utility Billing System - CUBS

# Strategic Support CSA

## Core Service: Legal Transactions *Office of the City Attorney*

### **Performance and Resource Overview (Cont'd.)**

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- Public Development Projects – Coyote Valley Specific Plan, Evergreen Smart Growth Strategy, including financing Evergreen Improvements, and North San José Area Development
- South San José State University Campus Area Plan
- Parks, Recreation and Neighborhood Services Facility Re-use Program
- Downtown Events – Grand Prix, Ice Chalet, and other major events
- Review of Proposed Legislation
- Labor Negotiations for Collective Bargaining Agreements expiring in 2007

It has been the Office's practice to conduct annual reviews of the City Service Areas' (CSA) five-year business plans to forecast the legal needs of the City. Long range planning is essential to strategically allocate resources and to provide advance staff training to meet the anticipated legal services demand. In an effort to improve communication and streamline coordination, the attorneys attend CSA meetings. This proactive approach will result in earlier identification of legal issues and will better assist the CSA teams during the process of business plan development.

Responses from the 2006 survey reflect a high level of client satisfaction with the services provided by the Legal Transactions division. The survey results are encouraging as it affirms that changes implemented in response to prior client feedback have been effective. The Office values client input, and will continue to seek opportunities for strengthening client service.

One of the performance measures seeks client input on the quality of legal advice. The purpose of this measure is to determine how well the attorneys identify the legal issues and risks, and if alternative solutions are provided where appropriate. The quality of the legal analysis is dependent on the clients providing the Office with complete information regarding the business terms under consideration. In the 2006 client survey, 93% of respondents were satisfied that the legal advice properly analyzed the legal issues and risks, while 79% of respondents were satisfied with the creative alternatives suggested for difficult problems. This is an improvement from last year's results of 86% and 67% respectively. It should be noted that 18% of the respondents gave a neutral rating on the creative alternative issue. This suggests that while there is opportunity for improvement, only 4% of the respondents were not satisfied with the services received in this area.

The Office strives to ensure that legal documents accurately and completely reflect the material business terms approved by the City Council or SJRA Board. The ability of the Office to accomplish this task is directly related to the quality of the information communicated by the client. The Office is doing a very good job in this area as the 2006 client survey indicates that 100% of the respondents were satisfied that the documents prepared by this Office accurately reflected the approved City or SJRA action. The Office is pleased to achieve its goal in this category.

## **Strategic Support CSA**

### **Core Service: Legal Transactions** *Office of the City Attorney*

#### **Performance and Resource Overview (Cont'd.)**

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The Office is committed to preparing legal documents and providing legal advice in a manner that will not cause unnecessary delays to the clients. The 2006 client survey reflects that 93% of the respondents were satisfied that assignments were completed within mutually acceptable timeframes. This is a slight increase from the 90% satisfaction level from last year. The Office's matter management system that tracks the status of assignments indicates that 89% of the assignments received in 2004-2005 were completed within a mutually acceptable timeframe. Managing the transactional workload in a timely manner is occasionally a challenge as the volume of assignments sometimes exceeds the available resources. As the economy appears to show signs of recovery, the Office is optimistic that key attorney and legal analyst vacancies will be filled in the upcoming year. Hiring additional staff will enable the Office to be more proactive in meeting client demands, and should enhance performance in this category.







Costs to hire outside private counsel for transactional services vary from \$125 - \$545 per hour, for an average hourly rate of \$335. The hourly rates for outside private counsel are based on rates negotiated by the City for legal service contracts. Rates vary depending on the type of law practice and level of experience and may include a government discount. The in-house Office rate, based on a 40-hour week, averages \$107 per hour including salary, retirement, fringe, and overhead for departmental and central service costs. A large percentage of City attorneys average much more than 40 hours per week, thus it is clearly more cost-effective for the City to have in-house legal counsel.

The 2006 client survey showed that 96% of the respondents were satisfied with the overall legal transactional services received from this Office. This high rating is encouraging and confirms that the legal services provided by the Office are meeting client expectations.

# Strategic Support CSA

## Core Service: Legal Transactions Office of the City Attorney

### Performance and Resource Overview (Cont'd.)

Legal Transactions Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of time final documents accurately reflect the approval of City and Redevelopment Agency action	93%	100%	100%	100%
 % of time that advice identifies and analyzes legal issues and risks	86%	80%	93%	80%
 % of time that advice provides alternatives where appropriate	67%	70%	79%	70%
 Cost of advice and documentation compare favorably to law offices of similar size, practice and expertise including other governmental offices				
• City Attorney's Office average hourly rate	\$104	\$106	\$107	\$110
• Outside Legal Counsel average hourly rate	\$305	\$305	\$335	\$335
 % of time client receives advice/document within mutually accepted time frames	90%	80%	93%	80%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	93%	85%	96%	85%

*Changes to Performance Measures from 2005-2006 Adopted Budget: Yes<sup>1</sup>*

<sup>1</sup> Changes to Performance Measures from 2005-2006 Adopted Budget:

- "% of time that advice identifies and analyzes legal issues and risks/or provides alternatives where appropriate" was revised; it has been split into two separate measures for better clarity.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of Council/Board Manager memoranda:				
Prepared	1,987	1,750	2,084	2,000
Reviewed	1,719	1,700	1,108	1,600
Number of formal Opinions issued	33	35	18	30
Number of Resolutions	612	570	350	500
Number of Ordinances	308	250	312	300
Number of Agreements	4,826	5,000	2,600	4,500

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: Yes<sup>1</sup>*

<sup>1</sup> Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget:

- ✗ "Number of Legislative reviews" and "Number of Conflict of Interest reviews" measures were deleted; the Legislative Reviews are now tracked in the City Manager's Office in consultation with the Attorney's Office, and the activity level in the Conflict of Interest Review area has been reduced to a level that is not significant enough to report.

## Strategic Support CSA

### Core Service: Legal Transactions *Office of the City Attorney*

#### Budget Changes By Core Service

Legal Transactions Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 4,719,306	\$ 5,238,068	\$ 5,985,706	\$ 5,969,928	14.0%
Non-Personal/Equipment	474,738	253,242	253,242	253,242	0.0%
<b>Total</b>	<b>\$ 5,194,044</b>	<b>\$ 5,491,310</b>	<b>\$ 6,238,948</b>	<b>\$ 6,223,170</b>	<b>13.3%</b>
<b>Authorized Positions</b>	<b>38.42</b>	<b>39.22</b>	<b>40.52</b>	<b>40.52</b>	<b>3.3%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### CITY AND SAN JOSE REDEVELOPMENT AGENCY INTERESTS ARE PROTECTED AND ADVANCED

- |  |          |          |
|--|----------|----------|
| 1. Temporary Attorney Administrative Support<br>Staffing Reduction | (15,778) | (15,778) |
|--|----------|----------|

This action suspends, on a one-time basis, the hiring of 0.2 Legal Administrative Assistant position that supports the Legal Transactions core service. The remaining portion of this position is included in the Legal Representation Core Service section of this document. (Ongoing savings: \$0)

#### Performance Results:

**Quality:** The workload will continue to be absorbed by existing staff, and there should not be a decrease in the quality of the work product. **Cycle Time:** Turnaround times on lower priority items may increase; however, the Office will absolutely meet legally mandated due dates. **Customer Satisfaction:** This may decrease if longer cycle times do not consistently meet client expectations.

2006-2007 Adopted Core Service Changes Total	0.00	(15,778)	(15,778)
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## Strategic Support CSA

### Strategic Support *Office of the City Attorney*

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**S**trategic Support represents the services provided within the Office that support and guide the provision of the core services. While there are resources and performance measures associated with strategic support, those are not presented separately in this document. Performance measures are shown only at the core service level, as strategic support services are designed to help improve core service delivery.

Strategic Support within the Office of the City Attorney includes:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Office Management and Analysis</b>           | <input type="checkbox"/> <b>Computer Network Management</b>     |
| <input type="checkbox"/> <b>Fiscal Control/Budget Preparation</b>        | <input type="checkbox"/> <b>Facility Management</b>             |
| <input type="checkbox"/> <b>Personnel Administration/Human Resources</b> | <input type="checkbox"/> <b>Law Library Maintenance</b>         |
| <input type="checkbox"/> <b>Records and File Maintenance</b>             | <input type="checkbox"/> <b>Overall Contract Administration</b> |

### Performance and Resource Overview

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**T**he San José City Attorney's Office, as legal counsel for the tenth largest city in the United States, produces a high volume of transactional and litigation work. Meeting this demand in a timely manner is accomplished through a team effort from the entire Office. Strategic support staff, the foundation that enables the efficient delivery of services, performs virtually every function necessary for the operation of a law office. Reliance on outside vendors is minimal and generally limited to situations when it is more cost-effective to outsource.

The year 2005 was a memorable one for the City as construction of the City Hall was completed. The City Attorney's Office moved downtown to the new facility in July 2005, with the General Counsel's Office moving in August 2005. This is the first time that both Offices are operating under the same roof, and it presents the opportunity to streamline similar tasks previously performed separately by support staff in the respective offices.

The workload at the front reception desk has decreased since moving to City Hall. This is due to an upgraded phone system with direct dial phone lines for the entire staff, and also because the Office is receiving fewer public visitors. As a result, the Office reorganized the Office Specialist and accounting staff in an effort to align resources with operational demands. One of the three Office Specialist positions was reclassified to Senior Account Clerk. This action essentially restores one of the two accounting positions that were eliminated due to budget reduction actions implemented over the past four years. The Office Specialist had absorbed some of the accounting duties during this time. The accounting demands of the Office are more efficiently and effectively met with a Senior Account Clerk performing these duties. This position also serves as a back-up to the Accounting Technician and front receptionist desk. The reorganization leaves the Office with two accounting staff and two Office Specialists, a structure that is more appropriate for the re-aligned job responsibilities.

# Strategic Support CSA

## Strategic Support *Office of the City Attorney*

### Performance and Resource Overview (Cont'd.)

The Strategic Support Division has critical vacancies for two legal administrative assistants, and two legal analysts. The majority of legal administrative assistants are each supporting four attorneys, plus an additional administrative-type assignment, including claims, pre-trials, closed session, etc. A more effective and realistic attorney-to-legal administrative assistant ratio is three-to-one. The Office also does not have adequate legal analyst staff to meet the current service demand. The legal analysts provide vital support in responding to the high priority Public Records Act requests and grand jury investigations. This work is time sensitive and requires the full attention of the analysts. As a result, it has been occasionally necessary to reassign legal analyst work to the attorneys, which is not an efficient use of the attorneys' time and reduces the overall effectiveness of the Office. The staff shortage also requires the legal analysts to provide support in practice areas outside of their specialized expertise. Cycle times for completion of assignments are slightly longer, and will continue to be, while the legal analysts continue to develop new skills.

The Office's information technology master plan identifies the need to soon replace computers and servers. The Office will work with the appropriate city staff to identify a funding source and to implement the actions outlined in the master plan.

"Doing more with less" over the prolonged economic downturn has been difficult as the workload often exceeded capacity. Nevertheless, staff has remained flexible and open to change throughout this period, and the fact that the Office has successfully met client expectations is a testament to the extraordinary efforts of a group of dedicated professionals of which the City can be proud. As the City's budget situation appears to be improving for 2006-2007, the Office is looking forward to filling some key positions that have been frozen during the prolonged economic downturn.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 1,381,506	\$ 1,349,848	\$ 1,426,841	\$ 1,426,841	5.7%
Non-Personal/Equipment	43,497	62,166	57,766	57,766	(8%)
<b>Total</b>	<b>\$ 1,425,003</b>	<b>\$ 1,412,014</b>	<b>\$ 1,484,607</b>	<b>\$ 1,484,607</b>	<b>5.1%</b>
<b>Authorized Positions</b>	<b>12.30</b>	<b>11.00</b>	<b>10.70</b>	<b>10.70</b>	<b>(2.7%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Strategic Support CSA

Strategic Support  
*Office of the City Attorney*

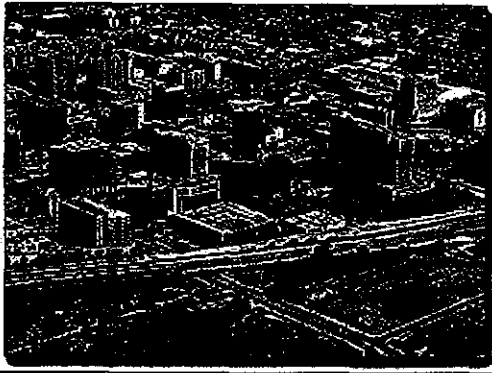
## Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			



# *Strategic Support CSA*

## **Office of the City Auditor**



***Mission:*** *To independently assess and report on City operations and services.*

The Office of the City Auditor works closely with other customers and stakeholders including:

- City Council
- City Departments
- Council Appointees
- City Employees
- Vendors, contractors, and consultants
- Residences
- Businesses

The City Auditor's Office has two primary outcomes:

Audit services identify ways to increase the economy, efficiency, effectiveness, and accountability of City government. In addition, audit services provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.

Audit services benefit the City in a number of ways. Some audit reports present ways to reduce costs or increase revenues. Other audit reports identify opportunities to increase effectiveness, use resources more efficiently, and improve internal controls. In addition, a variety of special studies and analyses provide objective and timely information to the City Council, City Administration, and the general public.

The function of the Office of the City Auditor rests on three important principles:

- Be independent, not only from the Administration, but also from any undue City Council member influence that could impair the professional integrity of any audit or other services the Office provides
- Maintain an objective attitude about all assignments
- Be factually and technically correct

These three qualities of independence, objectivity, and technical accuracy are the cornerstones of the one indispensable attribute of the City Auditor's Office – credibility. Without credibility the City Auditor's Office cannot and should not exist.

### ***Primary Partners***

Mayor and City Council  
Office of the City Attorney  
**Office of the City Auditor**  
Office of the City Clerk  
Office of the City Manager  
Office of the Independent  
Police Auditor

### **CSA OUTCOMES**

- Identify Ways to Increase the Economy, Efficiency, Effectiveness, and Accountability of City Government
- Provide Independent, Reliable, Accurate, and Timely Information to the City Council and Other Stakeholders

***Current Position***      *How are we doing now?*

- Since the City Auditor's appointment in May 1985, the Office has identified \$217 million in revenue enhancements or cost savings compared to \$29 million in Office costs.
- From May 1985 through June 2005, the Office exceeded its performance target of \$3 to \$1 ratio of cost savings or revenue enhancements to Office cost with an actual achieved ratio of nearly \$7 to \$1. In 2000, given its historical success, the City Council increased the Office's performance target to \$4 to \$1.
- Sales Tax Audits identified approximately \$745,416 in revenues for the quarters ended June 30, 2005, September 30, 2005, December 31, 2005, and March 31, 2006.

***Selected Community Indicators***      *What external conditions influence our strategies?*

- Audit expenditures compared to City of San José total expenditures: \$1 to \$389.
- Audit staff compared to City staff: 1 to 377.
- Biennial review for compliance with Government Auditing Standards: In October 2005, the City Auditor's Office received an unqualified opinion regarding its compliance with Government Auditing Standards for the period July 1, 2003 through June 30, 2005. The National Association of Local Government Auditors conducted the performance review of the City Auditor's Office. The next biennial review will be performed in fall 2007.

***Trends/Issues/Opportunities***      *What developments require our response?*

- In light of the budget difficulties facing the City, the City Auditor's Office will increase its emphasis in searching for revenues and cost savings opportunities.
- The City's major investments in infrastructure also warrant increased scrutiny of capital projects.
- The City's reliance on computer systems for its key business systems necessitates the Office's continued improvement in its capacity in this area.

***Policy Framework***      *What policies guide our strategies?*

- The City Council appoints the City Auditor.
- The Rules Committee approves the City Auditor's Annual Workplan.
- The duties of the City Auditor are outlined in City Charter Section 805.
- The City Auditor's Office conducts audits in accordance with Generally Accepted Government Auditing Standards (GAGAS).
- The City Auditor prepares an Annual City-Wide Risk Assessment to determine the potential audit areas and recommends that the Rules Committee include those areas in his Annual Workplan.
- The City Auditor's Office receives a biennial performance review for compliance with GAGAS.

*Strategic Support CSA*  
**Office of the City Auditor**  
***FIVE-YEAR BUSINESS PLAN***

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***Key Strategic Goals & Objectives***    *Where are we going?*

**Outcome 1:    Increase the Economy, Efficiency, Effectiveness, and Accountability of City Government**

- Identify ways to reduce costs or enhance revenues.
- Identify ways to increase the economy, efficiency, and effectiveness of City government.

**Outcome 2:    Provide Reliable, Accurate, and Timely Information to the City Council and Other Stakeholders**

- Provide independent, reliable, accurate, and timely information to the City Council.

## ***TWO-YEAR INVESTMENT STRATEGY***

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### ***Overview***

*The Office of the City Auditor provides audit services that identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders. The Office also provides revenue audits that obtain and analyze information from numerous data sources to ensure that the City of San José receives all of the revenues to which it is entitled.*

*The City Auditor's Office investment strategy is focused on providing reliable and effective audit services through efficient use of existing resources. The Office will operate with 17 filled positions, composed of one City Auditor, three supervising auditors, 11 auditors, and two administrative staff.*

### ***Key Investments & Objectives***

#### ***How will we accomplish our goals?***

The City Auditor's Office Year 1 and Year 2 Key Investments & Objectives are pertinent to the following two outcomes:

**Outcome 1: Increase the Economy, Efficiency, Effectiveness, and Accountability of City Government**

**Outcome 2: Provide Reliable, Accurate, and Timely Information to the City Council and Other Stakeholders**

The City Auditor's resources will be strategically invested in the following action plan which aligns with City Council priorities, the City Auditor's approved Audit Workplan, and Business Plan strategic goals, objectives, and performance measures.

#### ***Year 1: 2006-2007 – Planned Service Strategies***

- Conduct performance audits, special audits, and reviews as assigned. In August 2005, the Office released a 2005-2006 Audit Workplan that targeted areas of City Council and other appointees' concern, as well as areas identified for audit in the City-wide Risk Assessment model. The emphasis will be in seeking ways to reduce costs or increase revenues. The Office will also work to improve timeliness by issuing all audit assignments within 30 days of projected completion dates.
- Conduct sales tax and other revenue-related audits. The Office obtains and analyzes information from numerous data sources to ensure that the City of San José receives all of the revenues to which it is entitled. In 2006-2007, the Office will continue to identify and contact businesses that may not have used the proper sales tax identification code and continue to forward sales tax leads to the State Board of Equalization for resolution. In addition, the Office will continue to work closely with State Board of Equalization staff, the Finance Department, the California Municipal Business and Tax Association, the League of California Cities, and other agencies on any issues that impact the City's revenue base.
- Facilitate annual financial audit and quarterly card room opinions. The City contracts with outside Certified Public Accountant firms to conduct the annual financial audits and quarterly card room audits. The City Auditor prepares, monitors, and initiates payments for these audits and assists with card room audit reviews.



## ***TWO-YEAR INVESTMENT STRATEGY***

### ***Key Investments & Objectives***      *How will we accomplish our goals? (Cont'd.)*

#### ***Year 1: 2006-2007 – Planned Service Strategies (Cont'd.)***

- Conduct recommendation follow-up. The Office prepares a status report of all open audit recommendations as of June 30<sup>th</sup> and December 31<sup>st</sup> of each year. In 2000-2001, the City Auditor began tracking the percentage of audit recommendations implemented within one year. During 2006-2007, the Auditor will work to improve this percentage by meeting with departments 60 days after each audit report is issued to discuss implementation of recommendations contained in that report.
- Improve the website. The Office's website includes many of the audit procedures and technical innovations the Office has pioneered. The Office's website receives more than 6,500 visits per month from persons or organizations from nearly every state in the United States and more than 20 foreign countries. The Office will continue to ensure that information on the site is current and relevant. The Office plans to expand the information on its website to include audit programs and complete text of audit reports.
- Provide training to City employees on how to incorporate the Office's audit approach into their management philosophy. For the past 13 years, the City Auditor has taught a half-day course on risk assessment and internal controls for City employees. Each session draws 30 to 40 City employees and, based on attendees' written evaluations, is very well received. The City Auditor will present the course again in 2006-2007.
- During the last year, the City Auditor's Office worked closely with the other City Council appointees and various departments on a number of issues. For instance, the City Auditor met with the City Manager's Office (CMO) regarding Team San José and retirement system issues and with both the CMO and the Mayor's Office to discuss alternative service delivery methods and the City's master vendor file. The City Auditor also met with the CMO and the City Attorney's Office (CAO) to follow-up on City Council direction regarding the Fil-Am SODC, Inc. and JTS Northside Community Center audit. Further, the City Auditor met with the CAO and the Office of Employee Relations regarding the City's Fraud Hotline; co-issued memoranda with (1) Parks, Recreation, and Neighborhood Services Department to update the City Council on Northside Community Center operations and; (2) Human Resources and the Finance Department regarding the City's annual workers' compensation claims liability calculation; and met with General Services Department staff regarding past recommendations concerning vehicle maintenance. Finally, the City Auditor met with the San José Redevelopment Agency regarding potential future audits.
- In 2005-2006, the City Auditor's Office, the Office of Employee Relations, and the City Attorney's Office worked together to implement a one-year "Fraud and Audit Hotline" pilot project. At the end of the year, City Council reviewed the benefits, costs, and other issues associated with this hotline and determined that it should be continued on a permanent basis.

#### ***Year 2: 2007-2008 – Projected Service Strategies***

- The City Auditor's Office will continue to conduct performance audits and special audits and reviews as assigned; the Office will continue to conduct sales tax and other revenue-related audits; the Office will continue to improve its website and will continue to explore ways to increase cooperation with and provide assistance to other City Council Appointee offices.

# Strategic Support CSA

## Core Service: Audit Services *Office of the City Auditor*

### Core Service Purpose

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**A**udit Services identify ways to increase the economy, efficiency, effectiveness and accountability of City government and provide independent, reliable, accurate and timely information to the City Council and other stakeholders.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Conduct performance audits</b>         | <input type="checkbox"/> <b>Conduct other revenue audits</b>                                     |
| <input type="checkbox"/> <b>Conduct special audits and reviews</b> | <input type="checkbox"/> <b>Facilitate annual financial audit and quarterly card room audits</b> |
| <input type="checkbox"/> <b>Conduct sales tax audits</b>           | <input type="checkbox"/> <b>Recommendation follow-up</b>   |

### Performance and Resource Overview

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**A**udit Services benefit the City in a number of ways. Some audit reports present ways to reduce costs or increase revenues. Other audit reports identify opportunities to increase effectiveness, use resources more efficiently, and improve internal controls. In addition, a variety of special studies and analyses provide objective, timely information to the City Council, City Administration, and the general public.

The Office tracks the implementation status of approved audit recommendations. Since May 1985 through June 2005, the Administration implemented approximately 92% of over 1,400 recommendations made by the City Auditor.

The Audit Workplan for 2005-2006 included 29 assignments that were substantially completed or resulted in the issuance of one audit report per assignment by the end of the year. During 2005-2006, the City Auditor re-assigned audit staff to prioritize the completion of several City Council-requested assignments. As a result, the Office's Audit Services Performance Summary target to complete or substantially complete the Audit Workplan was affected. Audit reports issued during 2004-2005 included 52 recommendations and identified about \$9 million in estimated benefits. The City departments are responsible for implementing the City Auditor's recommendations. The Office's 2005-2006 recommendation follow-up process determined that fewer recommendations were implemented during 2005-2006 than expected, affecting the Office's Audit Services Performance Summary target to implement 80% of audit recommendations within one year. During 2006-2007, the Office will focus on providing reliable and effective audit services through the efficient use of existing resources.










For 2006-2007, consistent with the direction from the Mayor's Budget Office, a 3.1% budget reduction, which included reducing work hours of existing employees and reducing student intern working hours, was approved in the Office of the City Auditor.

# Strategic Support CSA

## Core Service: Audit Services

Office of the City Auditor

### Performance and Resource Overview (Cont'd.)

Audit Services Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of audit recommendations adopted by the City Council	100%	100%	100%	100%
 % of audit recommendations implemented within one year of adoption	62%	80%	48%	80%
 Ratio estimated audit benefit to audit cost	\$4 to 1	\$4 to 1	\$11 to 1	\$4 to 1
 Ratio actual to estimated audit benefit	\$1 to 1	\$1 to 1	\$1 to \$1	\$1 to 1
 % of approved workplan completed or substantially completed during the fiscal year	87%	100%	62%	100%
 % of audits completed within 30 days of the projected completion date	96%	90%	100%	90%
 % of City Council members rating the reliability, timeliness and value of audit services good or excellent	100%	95%	95%	95%
 % of auditees rating the reliability, timeliness, and value of audit services good or excellent	94%	95%	95%	95%
 % of sales tax customers rating professionalism of audit services good to excellent	100%	95%	95%	95%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of audit reports issued	26	22	18	22
Number of audit recommendations adopted	52	70	89	70
Number of audit reports per auditor	2.1 to 1	1.5 to 1	1.4 to 1	1.5 to 1
Estimated audit benefits (i.e., cost savings and revenue enhancements)	\$8,834,000	\$9,500,000	\$24,524,000	\$9,500,000
Actual audit benefits (i.e. cost savings and revenues received)	\$8,930,000	\$9,500,000	\$24,689,000	\$9,500,000
Number of businesses or other entities brought into compliance or assisted	116	90	68	90

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

# Strategic Support CSA

## Core Service: Audit Services Office of the City Auditor

### Performance and Resource Overview (Cont'd.)

Audit Services Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 2,037,930	\$ 1,896,059	\$ 2,163,869	\$ 2,087,130	10.1%
Non-Personal/Equipment	60,487	92,531	92,531	132,531	43.2%
<b>Total</b>	<b>\$ 2,098,417</b>	<b>\$ 1,988,590</b>	<b>\$ 2,256,400</b>	<b>\$ 2,219,661</b>	<b>11.6%</b>
<b>Authorized Positions</b>	<b>16.00</b>	<b>16.00</b>	<b>16.00</b>	<b>16.00</b>	<b>0.0%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### IDENTIFY WAYS TO INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND ACCOUNTABILITY OF CITY GOVERNMENT

1. Student Intern Work Hours (55,400) (55,400)

This action reduces work hours for the Office's Student Intern Program. The Office has amended the Student Intern Program's structure, thereby reducing the number of student intern hours needed. (Ongoing savings: \$25,000)

#### Performance Results:

**Cost** Impact to City Auditor's operations are expected to be minimal.

2. Audit Work Hours (21,339) (21,339)

This action reduces work hours for some staff members who have requested unpaid time off in 2006-2007. The majority of the unpaid time off will be maternity leave allowable under the Family Leave Act. (Ongoing savings: \$0)

#### Performance Results:

**Cost** Impact to City Auditor's operations are expected to be minimal.

# Strategic Support CSA

## Core Service: Audit Services

*Office of the City Auditor*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### IDENTIFY WAYS TO INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND ACCOUNTABILITY OF CITY GOVERNMENT (CONT'D.)

3. Electronic Workpaper System		40,000	40,000
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Consistent with the Mayor's March Budget Message, which has directed Council appointees to "Focus on improving employee productivity and continuously improving business practices, including streamlining, innovating, and simplifying City operations, so that services can be delivered at a higher quality level, with better flexibility, and at a lower cost", the City Auditor's Office was approved to purchase an electronic workpaper system at a cost of approximately \$40,000 in the year of purchase and approximately \$7,000 a year in maintenance fees beginning in the third year after the purchase. (Ongoing costs: \$0)

#### Performance Results:

**Cost** An electronic audit work flow system will greatly increase effectiveness and efficiency in the City Auditor's Office by reducing the amount of time spent on low value activities such as preparing workpapers, reviewing work, and performing quality control procedures. It is estimated that an electronic workpaper system will significantly improve staff efficiency in the first year that the system is fully operational.

2006-2007 Adopted Core Service Changes Total	0.00	(36,739)	(36,739)
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## Strategic Support CSA

### Strategic Support Office of the City Auditor

**S**trategic Support represents services provided within the Office that support and guide the provision of the core service. Strategic support within the Office of the City Auditor includes:

☐ **Administrative Support**

☐ **Network Support**

### Performance and Resource Overview

**S**trategic support is an ongoing requirement to provide the core service of the Office. For 2006-2007, there are no resource changes.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 457	\$ 224,512	\$ 231,149	\$ 231,149	3.0%
Non-Personal/Equipment	0	3,497	3,497	3,497	0.0%
<b>Total</b>	<b>\$ 457</b>	<b>\$ 228,009</b>	<b>\$ 234,646</b>	<b>\$ 234,646</b>	<b>2.9%</b>
<b>Authorized Positions</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.0%</b>


\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

# Strategic Support CSA

## Office of the City Clerk



**Mission:** *Provide strategic support services and leadership to maximize public access to municipal government.*

The City Clerk is one of six City Council appointees. The Office of the City Clerk provides strategic support services to the legislative body, facilitating interaction between the legislative process and the community. The Office also conducts elections for Mayor, City Council and various ballot measures. The duties of the Clerk are outlined in the City Charter, the California Government Code, the San José Municipal Code and the Council Policy Manual. All City departments contribute to the City Clerk's delivery of services to the community. The City Clerk's role in legislative and elective processes requires neutrality and independence as key qualities in conducting the business of the Office. In a political arena, the City Clerk is the non-political and objective component

**Internal Partners** — Mayor and City Council; City departments; designated City employees; Commission members

**External Partners** — Public; media representatives; other governmental agencies; Mayor and Council candidates; Commission applicants; registered lobbyists; community groups; bidders and contractors

### Key Services —

- Integrity of the City's legislative process is preserved and the process is readily accessible to the public.
- The City Council is effectively supported in making public policy decisions by the delivery of high quality legislative services.
- Elections are conducted in accordance with the City Charter and State law for Mayor, Council Members and ballot measures.
- Recruitment and appointment processes for boards and commissions are administered.
- Council's Rules Committee, Elections Commission, Civil Service Commission and Council Salary Setting Commission are staffed.
- The Municipal Code, City Charter, Council Policy Manual and all documents presented to Council are indexed for storage and retrieval, published when appropriate, and made available.
- Campaign finance, conflict of interests and registered lobbyist filings are reviewed and made available to the public.

### Primary Partners

Mayor and City Council  
Office of the City Attorney  
Office of the City Auditor  
**Office of the City Clerk**  
Office of the City Manager  
Office of the Independent  
Police Auditor

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### CSA OUTCOME

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- The Municipal Legislative Process is Accessible and Open to the Community.

**Strategic Support CSA**  
**Office of the City Clerk**  
***FIVE-YEAR BUSINESS PLAN***

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**Current Position**      *How are we doing now?*

Managing the Office of the City Clerk to ensure that vital and mandated services are provided despite previous staffing reductions continues to be challenging. Enhancing customer service by providing "more transparent" legislative services and easier access to information has been difficult as the reduced staff has had to assist with the many human- and paper-intensive processes that have existed in the Office for decades. Pursuing cost-effective methods for greater use of technology to streamline Office operations is only possible when staff has sufficient time to research and evaluate available improvements.

While coping with the City's challenging fiscal environment, the Office of the City Clerk has ensured:

- Elections for Mayor, Council Member, Charter amendments, bonds and ballot measures are conducted in accordance with the City Charter and the State Elections Code.
- Council agenda packets, synopses and action minutes of City Council meetings are prepared, distributed and posted on the web. Council and Committee meetings are web-cast live, then indexed and archived for on-demand replay.
- Recruitment and appointment processes for boards and commissions are administered both through Project Diversity and through direct Council interview and appointment processes as required.
- Council's Rules Committee, Elections Commission, Civil Service Commission, Project Diversity Screening Committee and the City Council Salary Setting Commission are staffed.
- Municipal Code, City Charter, Council Policy Manual and all documents presented to Council are indexed for storage and retrieval and made available to the public. The Municipal Code and Charter are currently published on the web and the Council Policy Manual is slated for web publication following a citywide review process.
- Campaign finance disclosure statements and statements of economic interests are filed in the Office according to State law and are made readily accessible for public review, with most campaign finance filings posted on the web.
- Lobbyists are registered and lobbying activity statements are filed, audited, and made accessible for public review.
- All City contracts are reviewed for administrative compliance, executed, indexed, distributed and filed.
- Bids are publicly opened for construction projects Citywide and notices to contractors are published in an appropriate newspaper as required by law.
- Legal publication of Notices of Public Hearing for the Planning Commission and the City Council are coordinated.
- Several Office budgets, including those of the Mayor and City Council Offices are managed; and human resource/payroll processing services are provided for a staff of approximately 85 people.

Funding for technological improvements was provided in 2004-2005 and 2005-2006 and was used to implement on-line filing of campaign statements and to invest in "Granicus", the system that has provided the ability to video archive Council and Committee meetings. A balance remains in 2005-2006 and will be used for initiating on-line filing of lobbyist activity reports and to assist with the selection and hiring of a consultant to assess opportunities to develop or acquire an electronic document management system (EDMS). In addition, some of the funding has been earmarked to begin the process of reviewing and codifying the Council Policy Manual (which will include on-line access to an updated version). A number of other worthy projects that would streamline the Council Agenda process, enhance tracking of legislative history, improve contract document processing and make the public records management program more efficient have been identified, but are unfunded or under-funded and will require significant staff time to research and analyze.



*Strategic Support CSA*  
**Office of the City Clerk**  
***FIVE-YEAR BUSINESS PLAN***

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***Selected Community Indicators***

***What external conditions influence our strategies?***

Some examples of key community indicators that assist the Office with tracking trends and assessing performance are:

- An Open Legislative Process: number of requests for information, customer satisfaction, timely packet/report distribution, favorable progress on process assessments/improvements
- Boards and Commissions: number of applicants to boards and commissions; number of commission vacancies
- Council Meeting Web Services: number of website hits, ability to post memos/reports in a timely manner; availability of archived Council and Committee meetings
- Lobbying Activities and Campaign Disclosure: number of lobbyists registered and submitting statements of activities and number of candidate, officeholder and PAC campaign financial disclosure statements filed

***Trends / Issues / Opportunities***

***What developments require our response?***

As the Office of the City Clerk plans for the next five years, the overarching issue remains enhancing the use of technology to improve and expedite service. Specific examples of trends, issues and opportunities include:

- The community's rising expectations of instant access to Council agenda memos/reports on the web.
- The organization's need for immediate access to vital records electronically.
- The community's rising expectation of on-line access to candidate and committee campaign disclosure statements and activity reports by lobbyists.
- The concept of streamlining appointments to and/or restructuring of the roles of Boards and Commissions.

The most important internal trends, issues and opportunities are ensuring that the Office remains flexible and agile, in light of pending changes, so that it can respond to customer demand quickly and intelligently. Previously reduced staffing, coupled with the lack of automation, has directly impacted the Office by making it difficult to prepare and disseminate the Council agenda and related packet in a timely manner. Additionally, responding to Public Records Act requests, as well as internal requests for information, becomes more difficult as the legacy indexing and tracking systems become older each year. The approved staffing augmentation provides much needed resources to tackle the increased workload and be more creative and thoughtful in pursuing system and process improvements.

As stated previously, most of what is done in the Office of the City Clerk is mandated and while the tasks cannot be eliminated, automating, streamlining and re-engineering processes to increase employee productivity and improve service delivery is required.

***Policy Framework***

***What policies guide our strategies?***

The Office of the City Clerk operates within the framework of State and local law and City Council policy:

- California Government Code including the California Elections Code
- City Charter
- San José Municipal Code
- Council Policy Manual

*Strategic Support CSA*  
**Office of the City Clerk**  
***FIVE-YEAR BUSINESS PLAN***

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***Key Strategic Goals & Objectives***    *Where are we going?*

**Outcome 1: The Municipal Legislative Process is Accessible and Open to the Community**

The Office of the City Clerk has three strategic goals and objectives that cover the Office's tasks:

- Deploy technology resources effectively
- Increase efficiency of service delivery
- Maintain high customer service

## ***TWO-YEAR INVESTMENT STRATEGY***

### **Overview**

*The Office of the City Clerk's approved additions reflect a strategy to continue maximizing public access to the legislative process and preserving mandated services. This investment in the Office of the City Clerk makes available a total of 14.5 positions in 2006-2007 to provide services directly related to the Office's single outcome, which is: The municipal legislative process is accessible and open to the community.*

### **Key Investments & Objectives**

#### ***How will we accomplish our goals?***

The approved investment strategy as well as the detailed budget actions for 2006-2007 presented in the core service section of the narrative result in the ability to maintain legally mandated functions and provide easier access to legislative information. The approved budget actions have been strategically selected to improve services related to lobbyist registration and filings, Public Record Act requests and election-related activities while diminishing the impact to other mandated services the Office must perform.

### **Outcome 1: The Municipal Legislative Process is Accessible and Open to the Community**

#### **Year 1: 2006-2007 – Planned Service Strategies**

The continued investment in the Office of the City Clerk allows for the approved 14.5 positions (including the City Clerk and the Assistant City Clerk) to provide services directly related to the Office's single outcome:

- Creating and distributing Council agenda, synopsis, minutes for all Council meetings;
- Successfully conducting municipal elections for Mayor, Council Members, ballot measures;
- Publishing all legally required Notices in adjudicated newspapers;
- Creating and maintaining a legislative history of Council actions and indexing and filing all public records, such that the records can be retrieved in a timely manner and the history is available and allows staff to provide research services for both internal and external customers;
- Posting all changes to the San José Municipal Code on the web upon adoption of each ordinance and printing updated Code pages for Code holders twice a year;
- Accepting, reviewing and making available all Statements of Economic Interests and Campaign Disclosure forms required by the 1974 Political Reform Act;
- Processing the Governmental Lobbyist filings and initiating on-line filing capability for quarterly activity disclosure reports; posting updated listings of registered lobbyists on the web;
- Conducting the recruitment, application and selection process for Boards and Commissions;
- Conducting employee and retiree elections for both Retirement Boards and the Civil Service Commission which include members representing City employees;
- Providing administrative support services to the Elections Commission, Civil Service Commission, Rules Committee, Project Diversity Screening Committee and Council Salary Setting Commission; and
- Providing strategic support budgeting, accounting, purchasing and personnel services to the Mayor's Office and the individual Council Offices as well as to the City Clerk's Office.

***TWO-YEAR INVESTMENT STRATEGY***

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***Key Investments & Objectives***    *How will we accomplish our goals? (Cont'd.)*

**Outcome 1: The Municipal Legislative Process is Accessible and Open to the Community (Cont'd.)**

**Year 2: 2007-2008 – *Projected Service Strategies***

Continued investment in the Office of the City Clerk would allow for the 14.5 approved positions (including the City Clerk) to provide services directly related to the Office's single outcome as described in Year 1; however, any budget reductions for Year 2, or workload increases, may result in reductions to service delivery in the following areas:

- Conducting the recruitment, application and selection process for Boards and Commissions;
- Conducting employee and retiree elections for the Retirement Boards and the Civil Service Commission;
- Providing administrative support services to the Elections Commission, Civil Service Commission, Project Diversity Screening Committee and when required, Council Salary Setting Commission, Redistricting Advisory Panel and the Charter Review Committee; and
- Providing strategic support budgeting, accounting, purchasing and personnel services to the Mayor's Office and the individual Council Offices as well as to the City Clerk's Office.

## Strategic Support CSA

### Core Service: Facilitate the City's Legislative Process *Office of the City Clerk*

#### Core Service Purpose

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**M**aximize public access to the City's legislative processes by maintaining the legislative history of the City Council and complying with election laws.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Prepare and distribute City Council meeting agenda, packet, synopsis and minutes</b>                     | <input type="checkbox"/> <b>Respond to requests for information from customers</b>   |
| <input type="checkbox"/> <b>Index and input legislative actions of the Council into filing systems</b>                               | <input type="checkbox"/> <b>Conduct all municipal elections in coordination with the County</b>  |
| <input type="checkbox"/> <b>Conduct board and commission recruitments/appointments</b>   | <input type="checkbox"/> <b>Accept, review, and make public all campaign finance forms and all Statements of Economic Interests</b>  |
| <input type="checkbox"/> <b>Accept and make public lobbyist registration and disclosure forms.</b>                                   | <input type="checkbox"/> <b>Conduct employee/retiree elections for Retirement Boards</b>   |
| <input type="checkbox"/> <b>Publish all legally required notices for the City</b>  | <input type="checkbox"/> <b>Provide staffing to the Council's Rules Committee, Civil Service Commission, San José Elections Commission and Project Diversity Screening Committee</b> |
| <input type="checkbox"/> <b>Provide administrative support services to the Mayor's Office and to individual City Council Offices</b> |  |

#### Performance and Resource Overview

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**T**he Office of the City Clerk assists the City Council in accomplishing the legislative process and making that process readily accessible to the public. Personnel, fiscal and budgetary support services are provided to the Mayor's Office and the individual Council Offices. City-wide Board and Commission recruitment and appointment processes are administered and staffing is provided to the Boards, Commissions and Committees the Office oversees; i.e., the Council's Rules Committee, the Civil Service Commission, the Project Diversity Screening Committee, the San José Elections Commission, and the City Council Salary Setting Commission (in odd-numbered years.) Elections are conducted in accordance with the City Charter, the Municipal Code, and the Election Code of the State of California for the purpose of electing City Council Members and the Mayor at the appropriate times and to submit measures to the electorate.

Ongoing issues include making the legislative process more accessible to the community while meeting weekly deadlines; filing, maintaining and retrieving records of City Council actions and supporting material dating from the 1850s to the present; and researching methodologies for taking advantage of available technologies. The Office continues to work closely with the City Manager's Office and the Information Technology Department to streamline the Council and Committee agenda/packet process and to place more information on the City Clerk's web page. While the immediate result of this action is an increase in access to the documents that make up current

# **Strategic Support CSA**

## **Core Service: Facilitate the City's Legislative Process** *Office of the City Clerk*

### **Performance and Resource Overview (Cont'd.)**

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agenda packets, in the future this will build and improve access to the City Council's Legislative History. Continuing to review and administer highly complex election laws remains an important issue in any City Clerk's Office, and San José's recent review of ethics, campaign finance, lobbyist and Mayor/Council fundraising regulations and enforcement will remain an important issue for this Office in the upcoming year.

Opportunities to optimize the use of technology are currently limited to what can be automated and/or improved with current resources. The process by which City Council actions are tracked, contracts are indexed and retrieved, and memorandums and reports are presented to Council remains complex and labor-intensive. The remaining balance of funds from the one-time addition added in the last fiscal year to improve technology in the Office has been earmarked for several projects that will greatly enhance access to information, including on-line filing of lobbyist disclosure statements and on-going maintenance of Council and Committee meeting web streaming with video archiving. The Office continues to explore "best practices" used by other large cities, consider partnerships with outside sources and work closely with the Information Technology Department to identify technological solutions to streamline workflow and increase efficiencies. Providing internal (the organization) and external customers (the public) with easy access to information remains a high priority goal for the Office of the City Clerk.







Recent process improvements, including the implementation of on-line filing for campaign disclosure statement, video-archiving City Council and Council Committee meetings, and posting more documents on the City Clerk's website have served to increase efficiency of service delivery and improve upon the City Clerk's delivery of services to the community. As directed by the City Council through approval of the Mayor's March Budget Message, this budget approves the addition of two positions to help offset the increased workload related to lobbyists, elections, ethics and other open government reforms. Based on the increased level of administrative support the office will receive from the approved addition of an Administrative Manager and a Senior Account Clerk, the target for "% of Council reports available at least 72 hours prior to a Council meeting" has been raised to 95% in 2006-2007, an increase of 5% from the 2005-2006 estimate.

Consistent with the direction from the Mayor's Budget Office, the City Council approved a 3.1% budget reduction that will temporarily hold a position vacant in the City Clerk's Office to achieve salary savings as well as reduce the non-personal/equipment budget. No significant impacts are anticipated as a result of these reductions.

# Strategic Support CSA

## Core Service: Facilitate the City's Legislative Process Office of the City Clerk

### Performance and Resource Overview (Cont'd.)

Facilitate the City's Legislative Process Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of Council and Committee reports available on the web 7 days before the meeting	75%	75%	75%	75%
 Estimated cost to document & track legislative actions per Council meeting	\$8,659	\$8,000	\$8,048	\$8,500
 % of information retrieval requests fulfilled within the time specified				
- Available in office – 24 hours	90%	95%	90%	95%
- Retrieval from storage – 72 hours	90%	95%	90%	95%
 % of Council reports available at least 72 hours prior to a Council Meeting	88%	85%	90%	95%
 % of customers rating the accessibility of information services provided as good or excellent	88%	85%	N/A*	85%
 % of customers rating the Clerk's service delivery as efficient	86%	85%	N/A*	85%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

\* Previous survey methodology was deemed less than reliable because the response rate was so low. Better methods for measuring customer satisfaction are being explored.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of meetings staffed	158	170	172	190
Number of board/commission applications processed	176	120	180	185
Number of contracts processed	3,150	3,000	3,200	3,250
Number of Statements of Economic Interests processed	1,300	1,250	1,300	1,300
Number of campaign filings processed	250	300	300	375
Cost of legal publications	\$144,627	\$120,000	\$140,000	\$130,000

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

\* Includes Council Office and Hewlett-Packard Grants beginning 2005-2006.

## Strategic Support CSA

### Core Service: Facilitate the City's Legislative Process *Office of the City Clerk*

#### Performance and Resource Overview (Cont'd.)

Facilitate the City's Legislative Process Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 1,053,718	\$ 1,084,122	\$ 1,171,555	\$ 1,251,325	15.4%
Non-Personal/Equipment	924,355	1,154,175	929,675	926,039	(19.8%)
Total	\$ 1,978,073	\$ 2,238,297	\$ 2,101,230	\$ 2,177,364	(2.7%)
Authorized Positions	11.00	11.50	11.50	12.50	8.7%

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes By Core Services

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### THE MUNICIPAL LEGISLATIVE PROCESS IS ACCESSIBLE AND OPEN TO THE COMMUNITY

1. Temporary Assistant City Clerk Staffing Reduction (34,590) (34,590)

The incumbent Assistant City Clerk will retire September 1, 2006. By delaying the hiring of a replacement until December 2006, three months of salary savings will accumulate toward the 3.1% reduction target. (Ongoing savings: \$0)

##### Performance Results:

**Quality** Impacts to City Clerk's operations are expected to be minimal.

2. Clerk's Office Non-Personal/Equipment Efficiencies (6,136) (6,136)

Reductions in printing and postage expenses are expected resulting from on-line availability of campaign finance disclosure forms and (soon) lobbyist reporting forms. (Ongoing savings: \$6,136)

##### Performance Results:

**Quality** Impacts to City Clerk's operations are expected to be minimal.



## Strategic Support CSA

Core Service: Facilitate the City's Legislative Process  
*Office of the City Clerk*

### Budget Changes By Core Services (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### THE MUNICIPAL LEGISLATIVE PROCESS IS ACCESSIBLE AND OPEN TO THE COMMUNITY (CONT'D.)

3. Clerk's Office Administrative Management	1.00	116,860	116,860
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This action adds one Administrative Manager position and related Non-Personal/Equipment as directed by the City Council as part of the Mayor's Budget Message. The addition provides much-needed oversight for new disclosure and reporting requirements for lobbyists, candidates and office holders; allows oversight and tracking for Public Records Act requests; and provides administrative staff support for the Elections Commission. New activities are anticipated with the "sunshine reforms" and, as a result, it is expected that the City Clerk will need additional human resources to help manage the day-to-day operations of the Office. (Ongoing costs: \$124,241)

**Performance Results:**

**Cycle Time** It is expected that this new position will be able to ensure that the day to day operations are now affected by the additional workload associated with the new responsibilities assigned to the Clerk's Office.

4. Rebudget: Clerk's Office Automation Technology		127,000	127,000
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This action rebudgets one-time resources to enable the City Clerk's Office to continue its office automation and electronic filing system implementation. (Ongoing costs: \$0)

**Performance Results:** N/A (Final Budget Modification)

2006-2007 Adopted Core Service Changes Total	1.00	203,134	203,134
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# Strategic Support CSA

## Strategic Support *Office of the City Clerk*

**S**trategic Support represents the services provided within the Office that support and guide the provision of the core services.

☐ **Long Range Planning & Policy Development**

☐ **Financial Management**  
☐ **Human Resources**

### Performance and Resource Overview

**S**trategic support is an ongoing requirement to provide the core service of the Office. For 2006-2007, restoration of a previously deleted Senior Account Clerk position has been approved.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 100,314	\$ 101,734	\$ 111,328	\$ 177,703	74.7%
Non-Personal/Equipment	14,174	15,131	15,131	17,631	16.5%
<b>Total</b>	<b>\$ 114,488</b>	<b>\$ 116,865</b>	<b>\$ 126,459</b>	<b>\$ 195,334</b>	<b>67.1%</b>
<b>Authorized Positions</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>100.0%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

## Strategic Support CSA

Strategic Support  
*Office of the City Clerk*

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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#### THE MUNICIPAL LEGISLATIVE PROCESS IS ACCESSIBLE AND OPEN TO THE COMMUNITY

1. Clerk's Office Accounting Support Staffing	1.00	68,875	68,875
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This action adds one Senior Account Clerk position and related non-personal/equipment funding as directed by the City Council as part of the approval of the 2006-2007 Mayor's Budget Message. Adding the position provides personnel with the appropriate qualifications to assume financial and administrative duties in the Clerk's Office. This allows current staff to be more efficient and effective in handling the additional responsibilities associated with lobbyist registrations and filings, Public Record Act requests, and election related activities. (Ongoing costs: \$70,674)

#### Performance Results:

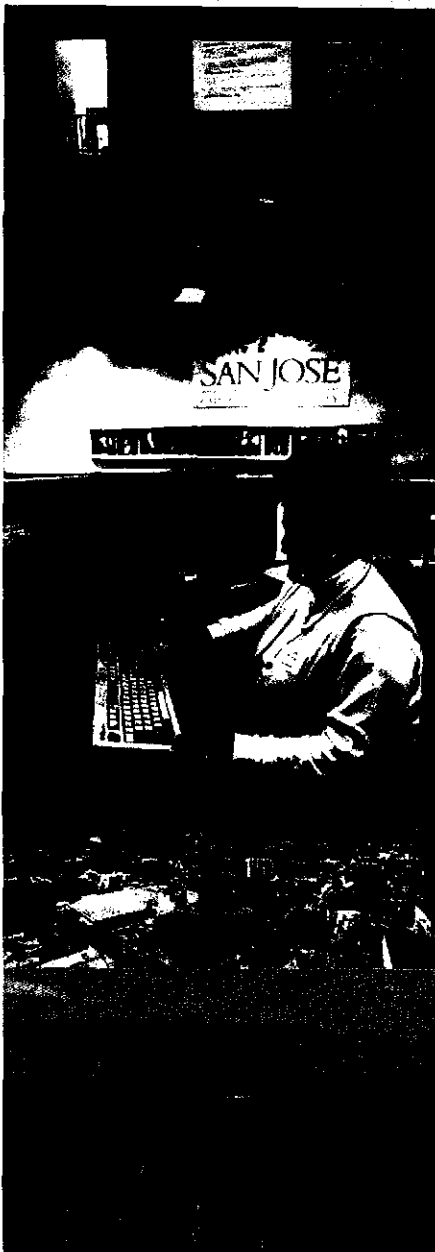
**Cycle Time** An increase in timeliness of financial/purchasing transactions is expected.

2006-2007 Adopted Strategic Support Changes Total	1.00	68,875	68,875
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# Strategic Support CSA

## Office of the City Manager



***Mission:** Provide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs.*

The Office of the City Manager is responsible for supporting the City Council in creating public policy to enhance the quality of life in San José, and for executing that policy direction by leading the City organization in providing excellent services to our residents.

Over the past year, the City Council has approved development initiatives that in turn will result in a great amount of development over the next several decades, including the Coyote Valley, Evergreen and Edenvale Specific Plans. These are all strategic initiatives that will bring much needed employment and housing growth to San José.

Over the next year, the City also faces many important challenges and exciting opportunities such as affordable housing initiatives, Airport Master Plan Implementation, and the continued implementation of the largest Capital Improvement Program in the City's history. In addition, the Council will continue to provide direction on important community based policies such as the Facility Re-Use policy for Community Centers, the Early Care and Education Strategic Plan, the Aging Master Plan and continuing to coordinate and support the Strong Neighborhoods Initiative. The City's ability and capacity to continue to provide essential services is a priority and will be partially predicated on the City's ability to leverage resources as much as possible.

Another opportunity that will occur during this fiscal year is the selection of a new City Manager to lead the 10<sup>th</sup> largest City in the nation. The new City Manager will be charged with providing continued strategic leadership to support the City Council and motivate and challenge the organization to continue to deliver high quality achievements, such as: balancing the City's \$2.7 billion budget during extremely challenging economic times with no employee layoffs; maintaining successful labor agreements with our labor unions, and, most importantly, improving our already high customer service standards.

### ***Primary Partners***

Mayor and City Council  
Office of the City Attorney  
Office of the City Auditor  
Office of the City Clerk  
**Office of the City  
Manager**  
Office of the Independent  
Police Auditor

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### **CSA OUTCOMES**

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- The Community Receives Customer-Focused, Results Driven Services
- The Mayor and Council are Effectively Supported in Making Public Policy Decisions
- Employees Understand, are Committed to, and Accountable for, the City's Vision, and Have the Capacity to Achieve It

**Strategic Support CSA**  
**Office of the City Manager**  
***FIVE-YEAR BUSINESS PLAN***

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***Current Position***      ***How are we doing now?***

- In a December 2005 Community survey, 79% (up 4% from 2003) of residents rated San José's quality of life as good or excellent. 76% (up 3% from 2003) of residents are satisfied with the overall quality of the City's services.
- In the most recent employee survey (2004), 82% (down from 88% in 2002) of employees agreed that the City is a good employer, and 78% (down from 80%) are satisfied with their jobs.
- This budget closes a shortfall of \$34.9 million, and shortfalls are forecast for each of the next five years given current revenue and expenditure projections. The City has already cut \$263 million and approximately 782 positions in previous years to balance the budget.
- San José has one of the nation's largest capital improvement programs among local governments, enjoys the highest credit ratings among big California cities, and remains the safest big City in the country-based on FBI crime statistics.
- A new City Manager must be named to lead the nation's 10<sup>th</sup> largest City.

***Selected Community Indicators***      ***What external conditions influence our strategies?***

- In 2005, the World Knowledge Competitiveness Index ranked San José the world's most competitive knowledge economy.
- In 2005, San José housed 54% of the population in Santa Clara County but has only 40% of the County's jobs.
- The unemployment figures released in April hint that the local economy is starting to make a turn for the better. The unadjusted unemployment rate in March was 4.8% for the San José Metropolitan Statistical Area (MSA). This is an improvement over last year when the estimated unemployment rate was 6.0%.
- Reports from the San José Convention and Visitors Bureau reveal that hotel occupancy has increased when compared year to year.

***Trends / Issues / Opportunities***      ***What developments require our response?***

- There are preliminary signs of economic improvement, although the City is not yet seeing the necessary job growth believed to be necessary for a significant economic recovery.
- Residents continue to partner with the City to work on improving their communities through the Strong Neighborhoods Initiative, in spite of dwindling resources for physical improvements. This effort is also going to be extended to the City at large based on the State of a City referral.
- The City's large investment in capital infrastructure continues and, this year, many of the park, library, and community center projects will be completed and will need resources for operations and maintenance. Through the City's responsible fiscal management and planning, we will be able to address these issues with added resources for new libraries, parks, and community centers.
- The Airport Master Plan is the largest capital project ever undertaken by the City. The opportunity will create an airport that serves as an economic driver for the region, connects seamlessly to as many ground transportation options as possible, becomes a premier gateway to Silicon Valley, and continues to be a good neighbor to the community.
- Pursuing smart growth and continuing to provide for the housing needs of our community at all income levels remains a high priority.
- The City continues to support small and local businesses in the area with the implementation of several initiatives including the Small Business Ambassador Program, Counter to Council initiatives and the Business Appreciation Program.

*Strategic Support CSA*  
**Office of the City Manager**  
***FIVE-YEAR BUSINESS PLAN***

***Policy Framework***     *What policies guide our strategies?*

- Economic Development Strategy/Counter to Council
- Adopted Operating and Capital Budgets
- 2020 General Plan
- Adopted Strong Neighborhoods Initiative Plans and exploration of applying this model city-wide
- Airport Master Plan
- City of San José 2002-2010 Consolidated Plan
- NPDES Wastewater and Storm Water permits
- Sustainable City Strategy
- Fire Five-Year Strategic Master Plan
- Neighborhood Policing Operations Plan
- Greenprint for Parks and Community Facilities Programs
- San José Public Library Master Plan
- City of San José Traffic Level of Service Policy

***Key Strategic Goals & Objectives***     *Where are we going?*

This section organizes the key goals and objectives of the City Manager's Office based on the six corporate priorities we have identified for the City organization. These priorities guide the efforts of CSA's and departments in providing services.

**Outcome 1: The Community Receives Customer-Focused, Results-Driven Services**

- **Customer Service** – There are several programs that have been implemented as a result of the Getting Families Back to Work and Counter to Council initiatives to better provide customer service to our residents and businesses. The One Start Center is one example of how the City continues to improve its systems to cater to our customers. The One Start Center began as a pilot program in the old City Hall in early 2004, as a direct result of the Getting Families Back to Work sessions and as a response to customer feedback that one location for accessing certain City services would be more customer friendly. This successful model has been incorporated on a larger scale in the new City Hall, where the first floors of the office Tower feature convenient access to the City services used most frequently by residents and businesses. During 2006-2007, the administration will work to refine the delivery of these services after having almost one full year to observe areas where services need improvement under the new City Hall service delivery model.
- **Neighborhood-Focused Service Delivery** – The Strong Neighborhoods Initiative (SNI) is working on a new structure to deliver service that breaks down barriers between City departments and the Redevelopment Agency, and on new ways of partnering with the community to improve neighborhoods. The long-term goal of SNI remains helping neighborhoods strengthen themselves in partnership with City government and, based on the State of the City Referral this year, exploring ways to apply this model city-wide.

**Outcome 2: The Mayor and City Council are Effectively Supported in Making Public Policy Decisions**

- **Support for Effective City Council Policy-Making** – Key initiatives within this priority are listed below.
  - Improve the City's Legislative Objectives – The City will continue to aggressively work with our Federal Lobbyists Patton Boggs, our Sacramento representative and our regional partners to focus on advocacy for the City's needs on a state and national level.
  - Improve the City's economic position – We will continue to aggressively implement the strategic initiatives and tactics of the Economic Development Strategy (EDS) and the directives resulting from the Getting Families Back to Work study sessions. Our primary focus will be the EDS's fifteen strategic initiatives, four of which the City Council has designated as the highest priorities in 2004 and 2005.

*Strategic Support CSA*  
**Office of the City Manager**  
***FIVE-YEAR BUSINESS PLAN***

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***Key Strategic Goals & Objectives***      ***Where are we going? (Cont'd.)***

- Develop strategic partnerships with San José State and other universities to drive innovation and economic impact
- Evolve and position Downtown as a unique creative and cultural center of Silicon Valley
- Support start-up and growth of local businesses, small and large, in technology as well as non-technology fields
- Diversify San José's economic base and preserve/create middle-income jobs
- Improve the City's budgetary position – This budget shows how the City organization is consolidating, re-engineering, and innovating to try to preserve as high a level of service to our community as possible in the face of reduced resources. However, it also shows that those reduced resources cannot sustain the same level of service we have been able to provide in the past. A goal for the next five years is to find ways to reverse the continuing imbalance in our operating budget between revenue and expenditure growth.
- Sunshine Reforms – The City Council continues to provide direction on how to increase the public's involvement in its public policy making, including expanded public access to legislative meetings and public information. During the past year, the City enacted several initiatives to create new opportunities for public access to information such as development of a stronger Public Records Act Request tracking system and revising the gift ordinance and other conduct policies. The City Council recently directed the development and implementation of a Sunshine Reform Taskforce comprised of individuals from several sectors of the community including academic, business, labor and non-profits to provide oversight to this effort.

**Outcome 3: Employees Understand, are Committed to, and Accountable for, the City's Vision, and Have the Capacity to Achieve it**

- **Performance-Driven Government** – Key initiatives within this priority are listed below.
  - Performance Based Budgeting – This budget reflects the continuing evolution of the City's performance-based budgeting and service delivery framework. In 2005-2006, the transition to a performance-based budget was completed and the budget document is now formally organized around the six City Service Areas rather than as previously by departments. We will be working over the next five years to continue to provide information that helps the City Council focus its resource decisions on the level of service it is possible to provide, and the results that residents can expect from that service. Toward that end, we will continue to refine our ability to measure our performance; both against other cities and against the standards we set for ourselves.
  - Alternative Service Delivery – During 2005-2006, the Council directed staff to identify creative and alternative ways to improve service delivery while increasing productivity and savings. In January 2006, the Council held a special study session to discuss these alternatives, and provided thoughtful and positive suggestions such as improving grants management and community based organization oversight, setting realistic expectations and refining a priority setting process to more effectively manage workload, re-evaluating our service delivery for recreational and parks programs (including maintenance), and establishing a city-wide Electronic Document Management Program. During 2006-2007, the administration will work towards implementation of these types of service delivery models.
- **Employer of Choice** – A key initiative in this area is to develop our own employees to become the City leaders of the future. The City already offers a leadership and supervision academy for new supervisors, a ten-week class focusing on building leadership and supervisory skills in the areas of corporate priorities, problem solving, communication and interpersonal skills. During 2006-2007, the administration will also focus attention to key areas that have declined, per the employee survey, to address workforce issues. In addition, we are working on developing a graduate public management course in cooperation with San José State to prepare employees for Director and Deputy Director positions.



*Strategic Support CSA*  
**Office of the City Manager**  
***FIVE-YEAR BUSINESS PLAN***

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***Key Strategic Goals & Objectives***

***Where are we going? (Cont'd.)***

- **Effective Use of Technology** – In 2005-2006, the City paid particular attention to its use of technology in fostering participatory government, enhancing the efficiency of City staff, and providing helpful, convenient services for the public. The state of the art audio and visual system in the City Council Chambers, for example, was designed to help audiences understand and easily follow the City Council during its legislative process. In addition, the move to the New City Hall also allowed the City to fortify its technology backbone by updating the server system. Other excellent examples of how the City has used technology to benefit staff and the public is in the Library's e-commerce program and the use of on-line benefit access through eWay Benefits. These types of creative uses of technology will continue to make a difference in the way we deliver services to our customers.

*Strategic Support CSA*  
**Office of the City Manager**  
**INVESTMENT STRATEGY**

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**Overview**

*The City Manager's Office Investment Strategy is designed to contribute to a balanced budget, preserve flexibility to provide support to the Mayor and Council, lead the organization's service delivery, and position the City Manager's Office to function in new ways as we adapt to the new Civic Center. Targeted service reductions were approved in order to provide expenditure savings, and we have made every effort to mitigate these to the extent possible. The City Manager's Office is beginning to build more team-based models to complete projects and provide services, and these models increasingly cut across previous specializations and spheres of work, both for individual employees and for workgroups such as the City Manager's Budget Office and the Office of Economic Development. Consistent with the Mayor's March Budget Message, as approved by the City Council, actions to reduce the Mayor, City Council, and Appointee budgets by 3.1%, the same average percentage as non-public safety City Service Areas, is included in this budget. For the City Manager's Office, that amount is \$321,088. Reductions to achieve that amount are primarily the elimination and defunding of positions.*

**Key Investments & Objectives**    *How will we accomplish our goals?*

**Outcome 1: The Community Receives Customer-Focused, Results-Driven Services**

- **One Start Center** - A direct result of the Getting Families Back to Work sessions, this successful model has been incorporated on a large scale in the new City Hall, where the first floors of the office Tower feature convenient access to the City services used most frequently by residents and businesses. During 2006-2007, staff will work on refining this approach to one-stop service delivery.
- **Facility Re-Use** - The Facility Re-Use Strategy is a creative response to diminishing resources, relying heavily on partnerships with schools, agencies, and the community to minimize the impact of community center closures. The Facility Re-Use RFQ process has been revised to extend its schedule through 2006-2007 so that additional community outreach can be implemented at specific neighborhoods that contain the proposed sites for re-use. It is anticipated that the community process, the RFQ process and the move-in of selected operators will all occur in 2007-2008.
- **Alternative Service Delivery** - As noted previously, the Council conducted a study session in January 2006 to address creative ways to improve service delivery while increasing productivity and savings. During 2006-2007, the City Manager's Office will lead the organization to explore different models including improving grants management and re-evaluating our service delivery for recreational and parks programs.
- **Facility Asset Management** - The City Manager's Office will oversee various issues involving the use of City-owned facilities and space planning for housing various departmental units during 2006-2007. These issues include determining the use or disposition of the Old City Hall and E Parking Lot, determining alternate locations for staff currently housed at the old Martin Luther King, Jr. Library in preparation for the possible reuse of the building or site by the San José Museum of Art, and beginning an improvement project at the Central Service Yard that will allow the City to vacate the Main Corporation Yard in Japantown to make way for a mixed use development project.
- **Strong Neighborhoods Initiative** - Working toward a reconfigured organization to support the Strong Neighborhoods Initiative has allowed for more coordination on a city-wide basis. During 2006-2007, the organization will work to assist and strengthen all communities in San José using the same fundamental principles that guide the Strong Neighborhoods Initiative.

*Strategic Support CSA*  
**Office of the City Manager**  
***INVESTMENT STRATEGY***

**Key Investments & Objectives**     *How will we accomplish our goals? (Cont'd.)*

**Outcome 1: The Community Receives Customer-Focused, Results-Driven Services (Cont'd.)**

- **Public Outreach** — The City Manager's Office is charged with the overall public message on the City's website, and continues to work towards placing a great deal of emphasis on transparency and public participation. The approved addition of a Webmaster to coordinate the City's internet quality and content will lend more support to our superior internet services and enable transparency in local government transactions.
- **Capital Improvement Program** — Considerable resources will continue to be devoted to this area. One Deputy City Manager continues to have primary focus in the capital area, and the CIP Action Team will continue to work to keep the City Council, City staff, and the public informed about the progress of capital projects.

**Outcome 2: The Mayor and City Council are Effectively Supported in Making Public Policy Decisions**

- **Agenda Services** — Current resources for this program are maintained in order for the City Manager to continue to provide support for the City Council agenda, City Council referrals, and a variety of other work in support of the Mayor and City Council.
- **Budget Office** — Current resources will continue to focus on developing and monitoring the operating and capital budgets with eight major documents produced annually along with eight Monthly Financial Reports. A performance-based budget focus will continue.
- **Intergovernmental Relations** — The base level of investment will continue, with the key focus being advocacy for the City's needs on a State and Federal level.
- **Sunshine Reforms** — As noted earlier in this document, the Council directed the establishment of a Sunshine Reform Taskforce. The administration will be staffing the Sunshine Reform Taskforce during the next fiscal year.
- **Grants Oversight Committee** — In response to Council directive, the City Manager's Office is taking the lead on developing a Grants Oversight Committee focused on coordinating grants city-wide and developing and implementing a city-wide grants database to provide comprehensive grant information, facilitate better grant awarding and grantee monitoring, and help ensure grantee compliance with grant requirements.

**Outcome 3: Employees Understand, are Committed to, and Accountable for, the City's Vision, and Have the Capacity to Achieve it**

- **Employee Relations** — The Office of Employee Relations continues to work in partnership with the City's employee bargaining units to collectively find ways to deal with our current budget challenges. The City Manager's Office will continue to strengthen its partnerships with our numerous labor unions.
- **Training** — Workforce planning is an important initiative for the City as a whole to better understand and prepare for the impact of retirements within the organization. During 2006-2007, the City Manager's Office will explore a city-wide contract for consultant services on recruitment and training opportunities and coordinate this effort with any in-house workforce planning initiatives. In addition, the City Manager's Office will remain closely involved with Human Resources in supporting the existing Leadership & Supervision Academy and launching the new training program aimed at preparing employees for Director and Deputy Director positions.

## Strategic Support CSA

**Core Service: Analyze, Develop, and Recommend Public Policy**  
*Office of the City Manager*

### Core Service Purpose

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**P**rovide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy.

#### Key Operational Services:

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Council Relations and<br/>Council/Committee Support</b> | <input type="checkbox"/> <b>Intergovernmental Relations</b> |
| <input type="checkbox"/> <b>Public Policy Development</b>                           | <input type="checkbox"/> <b>Budget</b>                      |

### Performance and Resource Overview

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**T**he City Manager's Office works to ensure that the City Council can rely on thorough, strategic, and impartial staff work in support of its decisions on City policy. The Council Relations and Budget staff both focus on those goals to ensure the City Council has the information it needs to make informed decisions. In addition, the Intergovernmental Relations staff assists Council in its efforts to influence policy-making and legislation in other government jurisdictions.

The Council Relations staff is charged with various responsibilities in the City Manager's Office, including assisting the City Council and its committees with the Council Agenda process, referral tracking and workload management, and various other organizational functions, including:

- Review of approximately 2,000 Council reports and 650 Information Memos from departments annually to ensure that these items are ready for Council consideration and review.
- Development of the City Manager's weekly reports to inform the Council of current activities and the City Service Area (CSA) monthly report, which provides Council with the Administration's activities at a CSA level.
- Direct support on the City Manager's one-on-one Councilmember meeting information.
- Development of Committee workplans on a bi-annual basis.
- Support all study sessions held by Council. This past year, those included the Getting Families Back to Work sessions, the Alternative Service Delivery, and a Joint Water District/City session as well as several budget study sessions leading up to the June adoption of the budget.

Staff also tracks, monitors, and ensures that Council referrals are appropriately addressed in a timely manner. Most recently, staff developed a comprehensive list of all major projects and initiatives that the Administration has undertaken. This list, referred to as the Administrative Workload, consists of approximately 600 referrals. This list will allow the Administration to track and manage the Council Agenda schedule, respond to referrals, ensure accountability, and will serve as a backdrop for assessing new assignments directed by the City Council, the City Manager, and Council Committees.

## **Strategic Support CSA**

**Core Service: Analyze, Develop, and Recommend Public Policy**  
*Office of the City Manager*

### **Performance and Resource Overview (Cont'd.)**

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Considerable staff work is also underway to address the 22 Sunshine Reform measures on promoting open, accessible and inclusive government, approved by Council in March 2006. Staff has developed a framework for establishing a community-based task force to review and recommend to the City Council a package of proposals to increase opportunities for public information, neighborhood participation, and government accountability. In addition, staff has analyzed the initial 22 reform proposals and developed recommendations on the measures that have manageable workload impacts and referred proposals that require further analysis to the task force for additional review and public input.

The Intergovernmental Relations function has also been diligently working to support the Mayor and Council, reviewing approximately 3,600 legislative items during the fiscal year. During 2005-2006, activities have included and will continue to include work on the following: the projected \$6.4 billion State budget structural deficit for the 2006-2007 fiscal year and potential impacts on the finances of the City and Redevelopment Agency; continued efforts to preserve and protect the Proposition 42 spending plan to ensure full funding of Prop 42 funds for transportation purposes and support efforts to create a "firewall" to prevent future State raids; development of a well-coordinated and effective plan to weigh in on any of the potential infrastructure transportation bond measures to be placed before the voters; eminent domain and redevelopment reform; telecommunications and related proposed legislation including protection of the City's ability to collect franchise fees, maintain PEG channels and protection of the public rights of way access; and, monitor and report to Council on proposed legislation in the area of Megan's Law and sex offenders as they relate to the legislative priorities and support of the Council-approved Megan's Law Task Force. In addition, during the upcoming year, staff will be tracking and working on the City's position opposing current Immigration Reform Legislation.

The Budget Office is responsible for the development and monitoring of the operating and capital budgets for the City of San José. The following major documents are prepared to transmit this information:

- City Manager's Budget Request and Five-Year Forecast and Revenue Projections for the General Fund and Capital Improvement Program
- Proposed Operating and Capital Budgets
- Adopted Operating and Capital Budgets
- Proposed Fees and Charges Report
- Mid-Year Budget Review
- Annual Report
- Monthly Financial Reports

## **Strategic Support CSA**

**Core Service: Analyze, Develop, and Recommend Public Policy**  
*Office of the City Manager*

### **Performance and Resource Overview (Cont'd.)**

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Budget Office staff also analyze the financial implications of items brought forward for City Council consideration, regularly provide analysis for special projects, and review budget-related City Council referrals. Starting in 2005-2006, the Budget Office assumed responsibility for compiling performance measure information for the City that was previously performed by the QUEST partnership. This performance information is incorporated into the annual budget process and is used by departmental staff throughout the year to measure progress in meeting performance goals. This document is one of the best examples of the Budget Office's commitment to provide the Mayor and Council with tools to assist them in the very difficult resource allocation decisions the City faces in these times of lean budgets.

This past year presented complex challenges for the City Council and the Administration. Against the backdrop of another year of declining resources, the City Council demonstrated remarkable leadership in its ability to set policy that preserves the City's core services, respond to residents needs, and initiate change that responded to the complex political issues that surfaced such as the lobbyist ordinance, campaign finance amendments, code of ethics amendments and responding to the media. Recognizing these challenges and continuing to focus on Council priorities, the Administration will continue to place a great emphasis on the following:

- Ensure that performance based budgeting provides meaningful information for making resource decisions;
- Continue to offer the highest level of service with limited resources;
- Improve new technology systems in the City Hall and ensure that the organization is trained on the systems;
- Strengthen public policy analysis and training opportunities for staff and City Council;
- Improve the quality and timeliness of information and assistance to the City Council; and
- Improve the Public Records Act Request process.

In the City's current economic condition, providing support to the City Council in making decisions about how to allocate scarce resources is particularly important, and no positions assigned to this essential core service have been eliminated.

The community report card, as it appears in the citywide section of this document, however, was approved to be eliminated. This project was originally intended to be a community newsletter that provided information to residents on City services, but has not been produced since fall/winter 2003.

## Strategic Support CSA

### Core Service: Analyze, Develop, and Recommend Public Policy *Office of the City Manager*

#### Performance and Resource Overview (Cont'd.)

Analyze, Develop, and Recommend Public Policy Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
<b>\$</b> % of variance from budgeted unrestricted ending fund balance for the General Fund	15%	10%	10%	10%
<i>Changes to Performance Measures from 2005-2006 Adopted Budget: No</i>				

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of City Council agenda reports approved	2,000	2,100	2,000	2,000
Number of City Council referrals assigned	122	130	130	150
Number of City-sponsored bills	4	6	6	4
Number of legislative items reviewed	3,300	3,600	3,600	3,300
<i>Changes to Activity &amp; Workload Highlights from 2005-2006 Adopted Budget: No</i>				

Analyze, Develop and Recommend Public Policy Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 2,935,023	\$ 3,157,860	\$ 3,784,837	\$ 3,784,837	19.9%
Non-Personal/Equipment	231,025	398,186	462,410	462,410	16.1%
<b>Total</b>	<b>\$ 3,166,048</b>	<b>\$ 3,556,046</b>	<b>\$ 4,247,247</b>	<b>\$ 4,247,247</b>	<b>19.4%</b>
<b>Authorized Positions</b>	<b>26.30</b>	<b>26.25</b>	<b>28.90</b>	<b>28.90</b>	<b>10.1%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

# Strategic Support CSA

Core Service: Lead and Advance the Organization  
*Office of the City Manager*

## Core Service Purpose

**A**dvance organizational vision, determine accountability, set organizational goals, and build organizational capacity.

### Key Operational Services:

☐ Leadership Management

☐ Employee Relations

## Performance and Resource Overview

**A**lthough this core service lists just two key operational services, it is a central function of the City Manager's Office that directly guides the organization's ability to effectively implement Council directives. Leadership Management helps establish vision and direction that unites the organization toward a common destination. Employee Relations supports this important function, as it is responsible for helping to maintain a sound workforce that is focused on encouraging effective employee relations, supporting a positive, productive, and respectful work environment; thus, enhancing the City's ability to deliver efficient, quality customer service.

The City Manager's Office is charged with providing comprehensive administrative leadership to the organization in an increasingly challenging and complex environment. This often results in thinking outside of the box and finding unconventional solutions to resolve current day problems such as traffic calming, neighborhood service delivery, library hours, public safety services/planning, and land-use issues. In addition, effective administrative leadership has also helped implement proactive economic development and fiscally sound initiatives. This approach has resulted in remarkable accomplishments and a pattern of performance where the Administration achieves the City Council's goals and the Council's priorities. In the past year, effective leadership has resulted in the following outcomes:

- **Completion of the New City Hall On-Time and On-Budget:** Construction of the new City Hall marks completion of the biggest single capital project in the City's history--and it was completed on-time, within 1% of budget, and without significant claims. The Council's decision to delegate to the City Manager the authority to award contracts, approve contract change orders, and value engineer key components of the project enabled this accomplishment.
- **Maintained High Credit Ratings:** Each of the three credit rating agencies, Moody's Investor Services, Standard & Poor's, and Fitch, confirmed the City's high Aa1/AA+/AA+ bond ratings. These credit ratings, the highest of any large city in California, are a particularly noteworthy achievement given the weak local economy and unpredictable State budget situation over the last several years.
- **Safest Big City:** For the fourth year, we continued to be recognized as the safest big city in America.



# Strategic Support CSA

## Core Service: Lead and Advance the Organization *Office of the City Manager*

### Performance and Resource Overview (Cont'd.)

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- **San José Grand Prix:** In December 2004, the City Council approved downtown San José as the site of the San José Grand Prix open-wheel street race on the international Champ Car World Series in July 2005. The inaugural San José Grand Prix brought world class racing excitement to downtown streets, and it will continue to bring attention to San José across the nation and around the world in future years.
- **Strong Economic Development Partnerships:** In addition to high profile accomplishments with eBay, BEA, and Hitachi to retain and expand large businesses, the City also launched the Small Business Initiative in October 2004 to provide training, technical assistance, and mentoring specifically tailored to help small and new companies in San José and Silicon Valley.
- **Satisfied Customer Base:** Results from the City's 4<sup>th</sup> Annual Community Survey with feedback from the residents regarding their satisfaction with City services, serve as an indicator of the effectiveness of the organization's leadership and our commitment to *maintaining high customer service standards*. This year's survey revealed the following results:
  - San José residents remain generally happy with the quality of life in San José, with 79% percent rating the quality of life as good or excellent (up from 75% in 2003).
  - More than three-quarters of San José residents (76%) are "satisfied" or "very satisfied" with the overall quality of City services, a proportion that has remained very consistent since the 2000 baseline survey.
  - More than two-thirds of all San José residents (72%) rate the "overall physical condition" of their neighborhood as good or excellent (up from 67% in 2003), and 64% say their neighbors share a sense of local community pride (63% in 2003).
  - As has been the case in previous years, about one-third of San José residents (32 percent) say they have had contact with a City employee in the past two years. More than eight in ten of those who had contact with City employees continue to express satisfaction with their courtesy, timeliness, and competence.
  - San José residents continue to feel safe walking around during the day in their neighborhoods (90 percent), in the park nearest their house (84 percent), or in the Downtown area (71% - up from 65 percent in 2003). Most residents also feel safe in their neighborhood at night (72% - up from 68 percent in 2003). Although fewer residents feel safe in the evening hours in the park nearest their house (51%) or Downtown (43%), both of these indicators have significantly improved from 2003 levels.

## Strategic Support CSA

### Core Service: Lead and Advance the Organization

*Office of the City Manager*

### **Performance and Resource Overview (Cont'd.)**

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Additionally, the City is committed to remaining an employer of choice by retaining and maintaining a high quality workforce to serve the residents of our city. One important aspect of this goal is to engage employees in the City's vision so that the workforce realizes the significance of its role in helping the City achieve its priorities. The most recent Employee Survey conducted reported that 73% of the City's employees understand and support the City's vision to be a customer-focused, results-driven organization and we hope to increase those results by implementing additional policies and practices (e.g., the Consolidated Utility Billing System) that continue to encourage that goal. Also, in keeping with the City's practices to measure our efforts, we continue to use performance measures to track our progress. In the most recent Employee Survey, 35% of our employees reported that they utilize performance measures to measure results and make improvements. We intend to encourage the increase of this practice by ten percent in the coming year. The City Manager's Office values the contributions of employees and realizes that employees are the greatest resource to attaining the City's vision. The most recent Employee Survey revealed that 74% of employees agreed that they are provided opportunities to make decisions about how to do their jobs and coupled with the recent community survey, this is a clear demonstration that a balance exists.

A significant component of maintaining an effective workforce includes encouraging positive working relations with our employees, and the City Manager's Office of Employee Relations helps to facilitate those relations through its workforce partnerships. Working in close partnership with employee representatives that included all of the bargaining units participating in the City Labor Alliance (CLA), through the Office of Employee Relations, the City successfully concluded another Voluntary Furlough/Voluntary Reduced Workweek program, which contributed to General Fund savings. The ongoing work with the CLA also resulted in continued employee-related policy development and enhanced communication of those policies to all City employees.

Our continued interaction on an individual basis with each of the bargaining units has allowed us to resolve labor/employment issues at the lowest level possible, while we continue to foster and build positive working relationships. Employee Relations demonstrated the effectiveness of our working partnerships with all of the bargaining groups by successfully negotiating multi-year agreements with all of our employee bargaining units, with the exception of one union, resulting in the majority of our workforce having current labor agreements. In addition, this year will mark the one-year anniversary for the Fraud and Audit Hotline, developed to create a safe space for employees to anonymously voice concerns. In an effort to encourage communication and ensure a safe environment for employees, Employee Relations holds grievance hearings, operates the employee and citizen Hotline, and conducts sexual harassment, discrimination and other personnel investigations. In the most recent Employee Survey, 38% of participants filed complaints which resulted in a finding of cause due to administrative discrimination, harassment, and accessibility. It is our intention to continue to work to reduce the instances of these occurrences.

# Strategic Support CSA

## Core Service: Lead and Advance the Organization Office of the City Manager

### Performance and Resource Overview (Cont'd.)

Lead and Advance the Organization Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
☉ % of employees who agree or strongly agree they understand and support the City's vision to be a customer-focused, results-driven organization	73%	75%	76%*	76%
☉ % of employees who say they utilize performance measures to track results and make improvements	35%	40%	45%*	45%
☉ % of employees who agree or strongly agree they are provided opportunities to make decisions about how to do their jobs	74%	75%	76%*	76%
☉ % of administrative discrimination, harassment and accessibility complaint investigations resulting in a finding of cause	38%	10%	25%	15%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

\* Data reflects the fall 2004 Survey. The next Employee Survey is scheduled for fall 2006.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of "Step 3" grievances received*	12	20	15	15
Number of training sessions offered by the Office of Employee Relations	42	60	100	70
Number of formal disciplines received	49	60	50	50
Number of external fair employment complaints filed	17	15	15	15

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

\* Step 3 grievances are defined as the final step in grievance procedures for internal resolution. If the grievance is not resolved at Step 3, unions may appeal it to arbitration. A grievance is defined as any dispute between the City and a union regarding the interpretation or application of the written Memorandum of Agreement or the Employer-Employee Resolution #39367, as amended.

## Strategic Support CSA

### Core Service: Lead and Advance the Organization *Office of the City Manager*

#### Performance and Resource Overview (Cont'd.)

Lead and Advance the Organization Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 1,587,338	\$ 1,612,286	\$ 1,281,935	\$ 1,281,935	(20.5%)
Non-Personal/Equipment	116,007	89,040	93,852	93,852	5.4%
Total	\$ 1,703,345	\$ 1,701,326	\$ 1,375,787	\$ 1,375,787	(19.1%)
Authorized Positions	13.40	13.40	10.15	10.15	(24.3%)

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

## Strategic Support CSA

**Core Service: Manage and Coordinate City-Wide Service Delivery**  
*Office of the City Manager*

### Core Service Purpose

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**P**rovide strategic direction and management for city-wide operations and service delivery.

#### Key Operational Services:

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Public Policy Implementation</b>                              | <input type="checkbox"/> <b>Major Capital Project Support</b>             |
| <input type="checkbox"/> <b>Neighborhood Partnerships/Strong Neighborhoods Initiative</b> | <input type="checkbox"/> <b>Public Education &amp; Community Outreach</b> |

### Performance and Resource Overview

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**T**he City Manager's Office leads and coordinates city-wide service initiatives, provides support to departments and CSA's in their service delivery, and provides outreach and other services directly in support of all of the City's services. The Office must constantly adapt to changing events, service needs, and Council priorities. The Office's focus is on helping the City organization align to the right priorities, and providing the support it needs to be successful in meeting those priorities.

To that end, the City Manager's Office works closely with departments and CSA's to look at innovative ways to implement public policy and deliver services with limited resources. Below are some of the many noteworthy accomplishments over the past year that resulted from innovative approaches to doing business:

- Maintained the Largest Capital Improvement Program (CIP) in the City's History
- Continued to be Recognized as the Safest Big City
- Achieved Airline Endorsement of Airport Master Plan
- Successfully Hosted San José Grand Prix
- Continued Strong Economic Development Partnerships
- Continued High Customer Service Standards and Successful Implementation of the Customer Service Center
- Completed New City Hall On-Time & On-Budget
- Maintained High Credit Ratings

In addition to these noteworthy accomplishments, staff continues to build strong neighborhood relationships through support of the Strong Neighborhoods Initiative. Out of the 190 top-ten priority projects identified in Strong Neighborhood areas, over 50 have been completed over the past couple of years, including:

- Eight affordable housing/housing rehabilitation projects;
- Five cleaner neighborhood projects;
- 25 safer and more attractive street projects;
- Eight vital business district projects; and,
- Six new parks and community centers.

## Strategic Support CSA

### Core Service: Manage and Coordinate City-Wide Service Delivery *Office of the City Manager*

#### **Performance and Resource Overview (Cont'd.)**

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Strong Neighborhoods has brought the Washington community its first park, Parque de Padre Mateo Sheedy; introduced the first skate park, Plata Arroyo, to the Eastside of San José; and, it has converted the 3<sup>rd</sup> and 4<sup>th</sup> Street Couplets into two-way, neighborhood serving streets honoring a 30-year commitment. These projects, each challenging in their own way, were made possible by the dedication and determination of community members and their City partners.

The Strong Neighborhoods Initiative remains a high fiscal priority for San José. In 2005-2006 approximately \$41 million in Agency funding will be invested to fund the completion of neighborhood projects. Including \$40 million leveraged in City, grant, and foundational support, San José's Strong Neighborhoods should see over \$111 million dollars invested in neighborhood-identified priorities throughout their communities by 2006-2007. Additionally, staff is working on developing a city-wide approach to similar to the Strong Neighborhoods Initiative approach.

In addition to the continuing work in SNI, the City continues to have the largest CIP in the City's history and amongst the largest in the nation. With over 800 projects completed over the past 6 years, the City has enjoyed ground-breakings or ribbon-cuttings virtually every weekend and our track record remains "on-time and on-budget." The City Manager's Office will continue to provide leadership and support through the effective and efficient activities of the CIP Team working closely with all City departments.

As noted earlier in this document, staff will also be supporting the City Council's efforts to improve and promote open, accessible and inclusive government. Considerable work is underway to address the 22 Sunshine Reform measures approved by the City Council. Staff has also developed a framework for establishing a community-based task force to review and recommend to the City Council a package of proposals to increase opportunities for public information, neighborhood participation, and government accountability.

All of these activities and staff's continuous dedication and support to delivering these services to our residents with high performance and standards can be seen in the recently completed Community Survey, as reflected in the performance measurements on the following pages. Overall, the survey results continue to reflect positive perceptions about San José and the services the City provides. Over the five-year period since 2000, while most ratings have either held steady or improved slightly, several areas show a ten-percent or higher positive increase in perceived satisfaction, including the following:

- Traffic flow on city streets and freeways during commutes
- Traffic impacts in neighborhoods
- Library materials, availability and branch open hours
- Removing graffiti
- Fire prevention and protection
- Protecting open space
- Condition of library buildings, community centers, and government offices

## Strategic Support CSA







### Core Service: Manage and Coordinate City-Wide Service Delivery *Office of the City Manager*

#### Performance and Resource Overview (Cont'd.)

Given the significant reductions in our ability to fund many public services over the past five years, these overall results reflect well on the hard work and productivity of City staff as well as our guiding strategy to focus limited resources on customers' service priorities.

The changes approved in this core service, described more fully below, include the elimination of one Analyst II position and the addition of two positions to support Public Outreach. The eliminated Analyst II position was a vacant position in the City Manager's Administration Unit. The two Public Outreach additions consist of an Executive Analyst II position to perform Citywide Webmaster and Sunshine Reform support and one administrative position to support Public Outreach. The City Manager's Office is charged with the overall internet interface with the public. With the growing use of the City's internet coupled with several current Council initiated reforms, the Executive Analyst II position is much needed to support this growth area. In addition, the Public Outreach Unit currently has no administrative support. The addition of a secretary position provides dedicated administrative support for the City's main media relations, publications, website, and cable TV work unit. The addition of these positions allow the City to stabilize the current service and build capacity for projected website enhancements and other support related to the Sunshine Reforms.

In addition, the city-wide appropriation for City Outreach and Education, as it appears in the City-Wide section of this document was approved to be reduced. As a result of this reduction, the ability to fund unanticipated outreach efforts has been reduced, but reducing this funding source still leaves an adequate fund balance to administer current projects.

<b>Manage and Coordinate City-Wide Service Delivery Performance Summary</b>	<b>2004-2005 Actual</b>	<b>2005-2006 Target</b>	<b>2005-2006 Estimated</b>	<b>2006-2007 Target</b>
 % of core services meeting or exceeding levels established by the City Council	66%	70%	66%	70%
 % of core services using formal customer feedback mechanisms to make improvements in service delivery	93%	85%	86%	85%
 % of core services meeting or exceeding their cycle time targets	61%	65%	65%	65%
 % of residents that are satisfied or very satisfied with the quality of City services	75%	75%*	76%*	76%
 % of residents contacting the City who say they are satisfied or very satisfied with the timeliness, courtesy and competence of City employees	78%	80%*	80%*	80%
 % of residents rating the quality of life in San José as good or excellent	73%	75%*	79%*	79%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

\* Data reflects the current Community Survey results.

## Strategic Support CSA

### Core Service: Manage and Coordinate City-Wide Service Delivery Office of the City Manager

#### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of contracts/agreements approved	1,209	1,000	1,300	1,400

Manage & Coordinate City-Wide Service Delivery Resource Summary	2003-2004 Actual 1	2004-2005 Adopted 2	2005-2006 Forecast 3	2005-2006 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 2,893,106	\$ 2,979,883	\$ 3,151,925	\$ 3,198,958	7.4%
Non-Personal/Equipment	233,434	311,694	254,060	254,060	(18.5%)
<b>Total</b>	<b>\$ 3,126,540</b>	<b>\$ 3,291,577</b>	<b>\$ 3,405,985</b>	<b>\$ 3,453,018</b>	<b>4.9%</b>
<b>Authorized Positions</b>	<b>22.30</b>	<b>23.35</b>	<b>21.70</b>	<b>22.70</b>	<b>(2.8%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS

- |                                     |        |           |           |
|-------------------------------------|--------|-----------|-----------|
| 1. City Manager Analytical Staffing | (1.00) | (104,803) | (104,803) |
|-------------------------------------|--------|-----------|-----------|

This action eliminates a vacant Analyst II position. The position is in the City Manager's Administration Unit and has not been filled for several years. (Ongoing savings: \$104,803)

#### Performance Results:

**Cost** Related work responsibilities associated with this position have been absorbed by existing staff; however, with the continued reduction of positions within the City Manager's Office, existing staff would increasingly become severely limited in its ability to take on additional workload.



## Strategic Support CSA

Core Service: Manage and Coordinate City-Wide Service Delivery  
*Office of the City Manager*

### Performance and Resource Overview (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS (CONT'D.)

2. Webmaster and Sunshine Reform Staffing	1.00	87,605	87,605
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This action adds an Executive Analyst II position. Over the past decade, the City's Internet site has become the primary communication tool for members of the public when gathering information about the City of San José. Statistics show that in 2005, the City Manager's website was accessed for information more than 5 million distinct and separate times. With the growing use of the City's internet coupled with several current City Council initiated reforms, this position is much needed to support this growth area. (Ongoing costs: \$92,807)

#### Performance Results:

**Cost** With the addition of this position, the Public Outreach Office will have a city-wide webmaster responsible for ensuring timely posting of information, response to public inquiry and overall coordination of internet content on the City's website. This addition is timely to address the Council's Sunshine reform initiatives and to restore a service that was eliminated a couple of fiscal years ago.

3. Public Outreach Administrative Staffing	1.00	64,231	64,231
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This action adds a Secretary position to the Public Outreach Office. Historically the Public Outreach Office had administrative support but this position was eliminated several years ago. Since then support functions have been provided through temporary staff support and by borrowing time from other administrative staff within the City Manager's Office. This approach has proved to be unsustainable with other changes in the staffing composition in the City Manager's Office (i.e. reduction in ratio of Administrative Assistant support to Deputy City Manager from 1:1 to 1:2, key administrative staff out on extended leave, etc.). This position will provide dedicated administrative support to the Public Outreach Manager, Public Communications Manager, and Video Services Manager position, which operates Civic Center Television. (Ongoing costs: \$72,187)

#### Performance Results:

**Quality, Customer Satisfaction** The addition of this position stabilizes the administrative function in the Public Outreach Office, which has a high volume of external communication with the news media, responding to requests for information from the public, and managing and responding to questions and comments that are received over the website and from employees. This addition also adds capacity in the City Manager's Office for other administrative needs where appropriate.

2006-2007 Adopted Core Service Changes Total	1.00	47,033	47,033
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# Strategic Support CSA

## Strategic Support Office of the City Manager

**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Office of the City Manager includes:

☐ **Clerical Support**

☐ **Financial Management**

### Performance and Resource Overview

**T**he strategic support functions of the Office are essential to the successful provision of the other core services in the City Manager's Office. Although no positions assigned to this essential core service are to be eliminated, one key position (an Assistant to the City Manager) is recommended to be de-funded for six months. Related work responsibilities associated with this position have been absorbed by existing staff; however, with the continued reduction of positions within the City Manager's Office and the addition of new workload referrals, existing staff will increasingly become limited in its ability to take on additional workload.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 274,998	\$ 318,837	\$ 394,219	\$ 306,546	(3.9%)
Non-Personal/Equipment	129,544	38,802	32,184	32,184	(17.1%)
<b>Total</b>	<b>\$ 404,542</b>	<b>\$ 357,639</b>	<b>\$ 426,403</b>	<b>\$ 338,730</b>	<b>(5.3%)</b>
<b>Authorized Positions</b>	<b>2.00</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>	<b>50.0%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

## Strategic Support CSA

### Strategic Support *Office of the City Manager*

#### Strategic Support Budget Changes

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Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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#### THE MAYOR AND CITY COUNCIL ARE EFFECTIVELY SUPPORTED IN MAKING PUBLIC POLICY DECISIONS

1. City Manager Administration/Special Projects		(87,673)	(87,673)
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This is a recently vacated position resulting from an internal promotion, and is approved to be defunded for half of the fiscal year (6 months). Existing staff has already absorbed work responsibilities with the majority of duties remaining with the current Deputy City Manager and other duties absorbed by two newly hired Senior Executive Analysts. (Ongoing savings: \$0)

#### Performance Results:

**Cost** Defunding this position for 6 months will limit the existing staff's ability to absorb new projects. With this reduction, it is projected that completion of special projects may be delayed, that there will be less capacity within the City Manager's Office to take on special projects that do not fall within the City's City Service Area structure, and greater reliance on existing staff.

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2006-2007 Adopted Strategic Support Changes Total	0.00	(87,673)	(87,673)
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# Strategic Support CSA

## City-Wide Expenses

### Overview

**T**he Strategic Support Program includes funding to design, build and maintain City facilities, manage the City's financial and technology systems, and ensure the City has qualified, well-trained employees to deliver quality services.

### Budget Summary

City-Wide Expenses Resource Summary*	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Strategic Support	\$ 36,128,429	\$ 54,814,551	\$ 39,996,589	\$ 57,477,031	4.9%
Total	\$ 36,128,429	\$ 54,814,551	\$ 39,996,589	\$ 57,477,031	4.9%
Authorized Positions	13.00	14.00	14.00	14.00	0.0%

\* For a complete listing of allocations for the Strategic Support Program, please refer to the City-Wide Expenses section of this document.

### Budget Changes by Program

Adopted Program Changes	Positions	General Fund (\$)
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1. 2-1-1 Call Center 100,000

This action provides one-time funds for the United Way to develop a 2-1-1 Call Center in Santa Clara County in 2006. This action represents a collaborative effort involving United Way, Santa Clara County, and the City of San José to develop a telephone number that connects people with community services and volunteer opportunities. The provision of these funds is contingent on the approval by Santa Clara County of its share of the funding for this effort. While services that are offered through 2-1-1 vary from community to community, 2-1-1 provides callers with information about, and referrals to, human services for every day needs and in times of crisis. (Ongoing costs: \$0)

2. Banking Services 70,000

This action recognizes the higher costs anticipated in 2006-2007 associated with increased merchant credit card transaction levels. (Ongoing costs: \$70,000) (Final Budget Modification)

# Strategic Support CSA

## City-Wide Expenses

### Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
<b>3. City Charter Review</b>		<b>250,000</b>
As directed in the Mayor's March Budget Message, this action establishes one-time funding in the amount of \$250,000 to initiate a City Charter Review in January 2007 with the new Mayor and City Council. (Ongoing costs: \$0)		
<b>4. City-Owned Property Database</b>		<b>155,000</b>
This action provides one-time funding for the design and development of a City-owned property database to allow for the review of a property's history and site characteristics prior to engaging in development plans. The database allows land-use stakeholders to proactively research a property for potentially undesirable environmental elements during the scoping phase of the project. (Ongoing costs: \$0) (Final Budget Modification)		
<b>5. City Volunteer Background Checks</b>		<b>10,000</b>
This action, as directed in the Mayor's June Budget Message, allocates \$10,000 on a one-time basis to implement a background check program for City volunteers involved with programs that cater to at-risk or vulnerable residents, such as the youth and seniors. (Ongoing costs: \$0) (Final Budget Modification)		
<b>6. Employee Recognition Program</b>		<b>25,000</b>
This action provides \$25,000 to be used for a city-wide Employee Recognition Program. The funding for this program was eliminated in 2003-2004 with departments absorbing the costs of any employee recognition activities. The restoration of these funds allows for the development of a program that recognizes high performing staff that is committed to exceeding customer expectations. (Ongoing costs: \$25,000)		
<b>7. FMC Debt Service Payments</b>		<b>1,771,918</b>
This action increases the FMC Debt Service Payments appropriation to amend an incorrectly calculated amount that was included in the base budget for 2006-2007. (Ongoing costs: \$1,771,918) (Final Budget Modification)		
<b>8. Management Training ~ Public Speaking</b>		<b>25,000</b>
This action provides additional funding on an ongoing basis to provide enhanced training opportunities for management employees. These funds are used to improve public speaking skills. (Ongoing costs: \$25,000)		

# Strategic Support CSA

## City-Wide Expenses

### Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
<b>9. Pandemic Flu Planning</b>		<b>143,000</b>
This action, as directed in the Mayor's June Budget Message, establishes funding in the amount of \$143,000 to help the City be better prepared in the instance of an outbreak of a flu pandemic. The provision of these funds is contingent on the approval of other cities in Santa Clara County for their share of the funding for this effort. (Ongoing costs: \$0) (Final Budget Modification)		
<b>10. Walk of Fame</b>		<b>50,000</b>
As directed in the Mayor's March Budget Message, this action establishes one-time funding in the amount of \$50,000 for planning and early capital funding for a Walk of Fame. A joint venture with the San José/Silicon Valley Chamber of Commerce and the San José Convention and Visitors Bureau allows the City to show visitors the landscape and faces of Silicon Valley. (Ongoing costs: \$0)		
<b>11. Miscellaneous Rebudgets</b>		<b>14,880,524</b>
The rebudget of unexpended 2005-2006 funds will allow for the completion of the projects in 2006-2007 listed below. (Ongoing costs: \$0) (Final Budget Modification)		
Annual Audit		150,000
Arena Community Fund		144,000
City Outreach and Education Efforts		265,000
Computer Systems Master Plan		119,144
Council Member Transition Funds		39,698
CUSP Project		10,000
Customer Service Call Center		10,000
Displaced Employees Transition Funds		250,000
e-Government Implementation Project		138,915
Elections Commission		44,601
Energy Usage		520,811
General Liability Claims		5,000,000
Grant Compliance Single Audit		20,000
Insurance Premiums		250,000
Investing in Results		8,991
Management Training		100,000
Mayor and City Council Travel		9,364
Old City Hall Land Use Planning		50,000
Payroll/Human Resources Project		250,000
Revenue Enhancement Consulting Services		200,000

# Strategic Support CSA

## City-Wide Expenses

### Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
11. Miscellaneous Rebudgets (Cont'd.)		14,880,524
Risk Assessment		100,000
Senior Staff Home Loan Assistance		1,250,000
Sick Leave Payments Upon Retirement		4,750,000
Sunshine Reform		200,000
Worker's Compensation Claims		1,000,000
2006-2007 Adopted Program Changes Total	0.00	17,480,442

## Strategic Support

### General Fund Capital, Transfers, and Reserves

#### Budget Summary

General Fund Capital, Transfers, and Reserves Strategic Support CSA Resource Summary*	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Capital Contributions	\$ 7,782,373	\$ 6,564,348	\$ 2,280,000	\$ 12,067,635	83.8%
Transfers to Other Funds	0	50,000	21,755,562	20,755,562	41411.1%
Earmarked Reserves	0	36,980,891	23,217,000	64,440,951	74.3%
Contingency Reserve	0	24,819,462	26,005,000	27,005,000	8.8%
<b>Total</b>	<b>\$ 7,782,373</b>	<b>\$ 68,414,701</b>	<b>\$ 73,257,562</b>	<b>\$ 124,269,148</b>	<b>81.6%</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

\* For a complete listing of allocations for the Capital Contributions, Transfers to Other Funds, and Earmarked Reserves Programs for the Strategic Support CSA, please refer to the General Fund Capital, Transfers, and Reserves section of this document.

#### Budget Changes by Program

Adopted Program Changes	Positions	General Fund (\$)
1. Capital Contributions: Central Service Yard Debt Service Payments Funding Shift		(878,000)
<p>This action shifts, for two years, approximately one-half of the General Fund payment for debt service payments for the Central Service Yard, Phase I to the Service Yards Construction and Conveyance Tax Fund in the Service Yards Capital Program. In 2006-2007 and 2007-2008, it is projected that there are sufficient resources in the Service Yards Construction and Conveyance Tax Fund to absorb this action with no project impacts expected. As a result, \$802,000 will continue to be provided by the General Fund for these payments. (Ongoing savings: \$878,000)</p>		
2. Capital Contributions: Facilities Infrastructure Maintenance Backlog		1,000,000
<p>This action establishes one-time General Fund funding in the amount of \$1,000,000 to begin to address the City's Facilities Infrastructure Maintenance Backlog. Infrastructure asset inventory has grown in the last five years, however, resources to maintain these assets have not kept pace with their growth. As a result, infrastructure condition has continued to decline. Examples of the types of improvements that will be funded by this allocation include structural, electrical, mechanical and roofing repairs. (Ongoing costs: \$0)</p>		



## Strategic Support

### General Fund Capital, Transfers, and Reserves

#### Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
<b>3. Capital Contributions: Rebudget of 2005-2006 Projects</b>		<b>9,665,635</b>
This action provides for the rebudgeting of funding for completion of capital projects authorized in 2005-2006. Major projects in the Strategic Support CSA include COPS 2003-2004 Interoperable Communications Grant (\$4,819,235), Watson Site Planning and Remediation (\$2,000,000), San José Grand Prix (\$700,000), City Hall Outstanding Needs (\$535,400), Alviso Education Center (\$390,000) and Arena Repairs (\$325,000). (Ongoing costs: \$0) (Final Budget Modification)		
<b>4. Transfers to Other Funds: Vehicle Replacement/ General Fleet</b>		<b>(1,000,000)</b>
This action reduces the transfer from the General Fund to the Vehicle Maintenance and Operations Fund on a one-time basis for vehicle replacement of the general fleet. The remaining transfer will provide \$750,000 to fund general fleet vehicle replacement needs. (Ongoing savings: \$0)		
<b>5. Earmarked Reserves: Salary and Benefit Reserve - Voluntary Furlough and Special Reduced Work Week</b>		<b>(250,000)</b>
This action reduces the Salary and Benefit Earmarked Reserve to reflect the savings expected to result from a voluntary furlough and special reduced work week program for employees in 2006-2007. Implementation of this program for a fourth year in a row is subject to the meet and confer process with the City's bargaining units. In order to minimize impacts to City operations and service levels, the programs will again not result in a city-wide closure, but will be implemented having employees schedule unpaid time off at some point during the fiscal year. (Ongoing savings: \$0)		
<b>6. Earmarked Reserves: Neighborhood Investment Fund</b>		<b>4,275,482</b>
As directed by the City Council in its approval of the Mayor's March Budget Message for 2006-2007, one-time funding in the amount of \$5.0 million was established for a Neighborhood Investment Fund to be available to the City Council after a process is established by the Building Strong Neighborhoods Committee to determine its allocation. As described in Manager's Budget Addendum #43, a portion of the funds (\$724,518) were approved to be used to pay for start-up staffing costs of 5.5 positions related to this endeavor and are included in the City-Wide section of this document. The remaining funds of \$4.3 million will be used to support a wide array of improvements throughout the community that will improve safety or quality of life, and will create a better sense of pride in neighborhood communities. (Ongoing costs: \$0)		
<b>7. Earmarked Reserves: Economic Uncertainty</b>		<b>3,277,665</b>
This action establishes one-time funding in the amount of \$3,277,665 to begin to replenish the Economic Uncertainty Reserve. These funds will assist with maintaining the City's financial stability and to better prepare for any future unforeseen economic circumstances. (Ongoing costs: \$0)		

## Strategic Support

### General Fund Capital, Transfers, and Reserves

#### Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
<b>8. Earmarked Reserves: Technology</b>		<b>3,500,000</b>
This action sets aside one-time General Fund monies in the amount of \$3,500,000 to establish a Technology Reserve. A number of years ago, the City had set aside a reserve of \$1.3 million for e-Government applications, but that reserve has never been utilized. Those funds were approved to be combined with additional one-time funding to establish a new fund to address the most critical technology needs for the City. A listing of recommended projects to be funded by this reserve will be brought forward to City Council for consideration at a later date. (Ongoing costs: \$0)		
<b>9. Earmarked Reserves: Rebudgets</b>		<b>30,420,804</b>
This action provides for the rebudgeting of unexpended 2005-2006 funding from various Earmarked Reserves listed below. (Ongoing costs: \$0) (Final Budget Modification)		
Airport Overhead Reimbursement	3,006,000	
Future Capital Projects/SNI	5,253,118	
Salary and Benefit	12,161,686	
Workers' Compensation/General Liability	10,000,000	
<b>10. Contingency Reserve: Rebudget</b>		<b>1,000,000</b>
This action rebudgets unused 2005-2006 funding included in the General Fund Contingency Reserve. (Ongoing costs: \$0) (Final Budget Modification)		
<b>2006-2007 Adopted Program Changes Total</b>	<b>0.00</b>	<b>51,011,586</b>